

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED MANAGEMENT INVESTMENT
COMPANIES

Investment Company Act file number 811-5349

Goldman Sachs Trust

(Exact name of registrant as specified in charter)

4900 Sears Tower, Chicago, Illinois 60606-6303

(Address of principal executive offices) (Zip code)

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Registrant’s telephone number, including area code: (312) 655-4400

Date of fiscal year end: August 31

Date of reporting period: August 31, 2003

ITEM 1. REPORTS TO STOCKHOLDERS.

The Annual Report to Stockholders is filed herewith.

Goldman Sachs Funds

CORESM EQUITY FUNDS

Annual Report August 31, 2003

Long-term capital growth potential
through diversified portfolios of equity
investments using CORE, a proprietary
quantitative approach to stock selection
and portfolio construction.

Goldman
Sachs

Asset
Management

Goldman Sachs CORESM Equity Funds

- GOLDMAN SACHS CORE U.S. EQUITY FUND
- GOLDMAN SACHS CORE LARGE CAP GROWTH FUND
- GOLDMAN SACHS CORE SMALL CAP EQUITY FUND
- GOLDMAN SACHS CORE LARGE CAP VALUE FUND
- GOLDMAN SACHS CORE INTERNATIONAL EQUITY FUND

| | | |
|------------------|----------------|-------------------|
| NOT FDIC-INSURED | May Lose Value | No Bank Guarantee |
|------------------|----------------|-------------------|

Domestic CORESM Investment Process

GOLDMAN SACHS' CORE DOMESTIC INVESTMENT PROCESS

1

DISCIPLINED
STOCK SELECTION



2

CAREFUL
PORTFOLIO CONSTRUCTION



3

RESULTS

1 DISCIPLINED STOCK SELECTION

- **Comprehensive** – We calculate expected excess returns for more than 3,000 stocks on a daily basis.
- **Objective** – Our stock selection process is free from the emotion that can lead to biased investment decisions.
- **Rigorous** – We evaluate stocks based on fundamental investment criteria that have outperformed historically.

2 CAREFUL PORTFOLIO CONSTRUCTION

- Our computer optimization process allocates risk to our best investment ideas and constructs funds that neutralize systematic risks and deliver better returns.
- We use a unique, proprietary risk model that is more precise, more focused and faster to respond because it identifies, tracks and manages risk specific to our process, using daily data.

3 RESULTS

Fully invested, well-diversified portfolio that:

- Maintains style, sector, risk and capitalization characteristics similar to the benchmark.
- Offers broad access to a clearly defined equity universe.
- Aims to generate excess returns that are positive, consistent and repeatable.

CORE U.S. Equity Fund

Dear Shareholder,

This report provides an overview on the performance of the Goldman Sachs CORE U.S. Equity Fund during the one-year reporting period that ended August 31, 2003.

Performance Review

Over the one-year period that ended August 31, 2003, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 11.90%, 11.10%, 11.15%, 12.40%, and 11.83%, respectively. These returns compare to the 12.07% cumulative total return of the Fund's benchmark, the S&P 500 Index (with dividends reinvested).

The one-year reporting period was a difficult period for many portfolio managers, particularly those with a high quality or stable growth bias. However, as the market's gains were more subdued towards the end of the period, investors sought stocks with stronger fundamentals. This helped the CORE process to again add value and for one of its share classes to outperform the benchmark.

Portfolio Positioning

The CORE investment process analyzes each stock based upon its Valuation and Momentum characteristics, Earnings Quality, Profitability, Management Impact as well as a Fundamental Research assessment. Over the one-year reporting period, returns to the CORE themes were mixed. Profitability contributed the most positively for the period, as companies with strong profit margins and good operating efficiency boosted relative returns the most. Earnings Quality and Valuation also experienced positive returns for the period while Management Impact and Fundamental Research detracted somewhat from relative returns. Owning companies with strong Momentum characteristics (and avoidance of those with weak Momentum) hurt relative returns most significantly for the period.

Portfolio Highlights

Stock selection versus the benchmark was positive in seven out of 13 sectors, most notably in the Health Care sector. Among the Fund's most successful holdings were overweight positions in SanDisk Corp., Boston Scientific Corp., and Gilead Sciences, Inc. Although the Fund's returns were positive in the Consumer Cyclical and Technology sectors, its holdings in these sectors underperformed relative to their peers in the benchmark. Examples of stocks that detracted the most from relative performance were overweight positions in R.J. Reynolds Tobacco Holdings, Inc., Kraft Foods, Inc. and Loews Corp.

We thank you for your investment and look forward to your continued confidence.

Goldman Sachs Quantitative Equity Investment Team

New York, September 15, 2003

CORESM U.S. Equity Fund

as of August 31, 2003

Assets Under Management

\$646.4 Million

Number of Holdings

158

NASDAQ SYMBOLS

Class A Shares

GSSQX

Class B Shares

GSSBX

Class C Shares

GSUSX

Institutional Shares

GSELX

Service Shares

GSESX

PERFORMANCE REVIEW

| September 1, 2002–August 31, 2003 | Fund Total Return (based on NAV) ¹ | S&P 500 Index ² |
|-----------------------------------|--|----------------------------|
| Class A | 11.90% | 12.07% |
| Class B | 11.10 | 12.07 |
| Class C | 11.15 | 12.07 |
| Institutional | 12.40 | 12.07 |
| Service | 11.83 | 12.07 |

¹The net asset value (NAV) represents the net assets of the class of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance reflects the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

²The S&P 500 Index (with dividends reinvested) is the Standard & Poor's 500 Composite Stock Price Index of 500 stocks, an unmanaged index of common stock prices. The Index does not reflect any deduction for fees, expenses or taxes.

STANDARDIZED TOTAL RETURNS³

| For the period ended 6/30/03 | Class A | Class B | Class C | Institutional | Service |
|------------------------------|-------------------|------------------|-------------------|-------------------|--------------------------------|
| One Year | -4.96% | -5.18% | -1.19% | 0.93% | 0.42% |
| Five Years | -3.48 | -3.50 | -3.11 | -1.99 | -2.48 |
| Ten Years | 8.79 | N/A | N/A | N/A | 9.38 ⁴ |
| Since Inception | 8.41 (5/24/91) | 5.46 (5/1/96) | 0.69 (8/15/97) | 8.93 (6/15/95) | 8.90 ⁴ (5/24/91) |

³The Standardized Total Returns are average annual total returns as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed contingent deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed contingent deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

⁴Performance data for Service Shares prior to June 7, 1996 (commencement of operations) is that of Class A Shares (excluding the impact of front-end sales charges applicable to Class A Shares since Service Shares are not subject to any sales charges). Performance of Class A Shares of the CORE U.S. Equity Fund reflects the expenses applicable to the Fund's Class A Shares. The fees applicable to Service Shares are different from those applicable to Class A Shares which impact performance ratings and rankings for a class of shares.

Total return figures in the above charts represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

TOP 10 HOLDINGS AS OF 8/31/03⁵

| Holding | % of Net Assets | Line of Business |
|--------------------------|-----------------|--------------------|
| Wal-Mart Stores, Inc. | 3.6% | Department Stores |
| Exxon Mobil Corp. | 3.4 | Energy Reserves |
| Citigroup, Inc. | 3.3 | Banks |
| Microsoft Corp. | 2.2 | Computer Software |
| Bank of America Corp. | 2.2 | Banks |
| General Electric Co. | 2.1 | Financial Services |
| Johnson & Johnson | 2.0 | Drugs |
| The Procter & Gamble Co. | 1.9 | Home Products |
| Intel Corp. | 1.8 | Semiconductors |
| Pfizer, Inc. | 1.7 | Drugs |

⁵The top 10 holdings may not be representative of the Fund's future investments.

CORE Large Cap Growth Fund

Dear Shareholder,

This report provides an overview on the performance of the Goldman Sachs CORE Large Cap Growth Fund during the one-year reporting period that ended August 31, 2003.

Performance Review

Over the one-year period that ended August 31, 2003, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 14.02%, 13.19%, 13.19%, 14.47%, and 13.87 %, respectively. These returns compare to the 14.08% cumulative total return of the Fund's benchmark, the Russell 1000 Growth Index (with dividends reinvested).

The one-year reporting period was a difficult period for many portfolio managers, particularly those with a high quality or stable growth bias. However, as the market's gains were more subdued towards the end of the period, investors sought stocks with stronger fundamentals. This helped the CORE process to again add value and for one of its share classes to outperform the benchmark.

Portfolio Positioning

The CORE investment process analyzes each stock based upon its Valuation and Momentum characteristics, Earnings Quality, Profitability, Management Impact as well as a Fundamental Research assessment. Over the one-year reporting period, returns to the CORE themes were mixed. Profitability contributed the most positively for the period, as companies with strong profit margins and good operating efficiency boosted relative returns the most. Earnings Quality and Management Impact also experienced positive returns for the period, while Fundamental Research and Valuation detracted from relative returns. Owning companies with strong Momentum characteristics (and avoidance of those with weak Momentum) hurt relative returns most significantly for the period.

Portfolio Highlights

During the period, the Fund's stock selection was mixed across sectors. The Fund's holdings in the Health Care and Financial sectors outperformed their peers in the benchmark the most. Among the Fund's best relative performers versus the benchmark were overweight positions in Genentech, Inc., Amazon.com, Inc. and Gilead Sciences, Inc. We have since sold out of the Fund's position in Genentech, Inc. Although the Fund's returns were positive in Technology, its holdings significantly underperformed their peers in the benchmark for the period. Examples of holdings that detracted most from relative performance were overweight positions in Kraft Foods, Inc., R.J. Reynolds Tobacco Holdings, Inc., and Loews Corp.

We thank you for your investment and look forward to your continued confidence.

Goldman Sachs Quantitative Equity Investment Team

New York, September 15, 2003

CORESM Large Cap Growth Fund

as of August 31, 2003

Assets Under Management

\$369.9 Million

Number of Holdings

123

NASDAQ SYMBOLS

Class A Shares

GLCGX

Class B Shares

GCLCX

Class C Shares

GLCCX

Institutional Shares

GCGIX

Service Shares

GSCLX

PERFORMANCE REVIEW

| September 1, 2002–August 31, 2003 | Fund Total Return (based on NAV) ¹ | Russell 1000 Growth Index ² |
|-----------------------------------|--|---|
| Class A | 14.02% | 14.08% |
| Class B | 13.19 | 14.08 |
| Class C | 13.19 | 14.08 |
| Institutional | 14.47 | 14.08 |
| Service | 13.87 | 14.08 |

¹The net asset value (NAV) represents the net assets of the class of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance reflects the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

²The Russell 1000 Growth Index (with dividends reinvested) is an unmanaged market capitalization weighted index of the 1000 largest U.S. companies with higher price-to-book ratios and higher forecasted growth values. The Index figures do not reflect any deduction for fees, expenses or taxes.

STANDARDIZED TOTAL RETURNS³

| For the period ended 6/30/03 | Class A | Class B | Class C | Institutional | Service |
|------------------------------|---------------------------------|------------------|--------------------|---------------------------------|---------------------------------|
| One Year | -2.68% | -2.82% | 1.18% | 3.42% | 2.75% |
| Five Years | -6.90 | -6.91 | -6.50 | -5.43 | -5.92 |
| Ten Years | 9.19 ⁴ | N/A | N/A | 10.05 ⁴ | 9.71 ⁴ |
| Since Inception | 8.93 ⁴ (11/11/91) | 0.62 (5/1/97) | -2.12 (8/15/97) | 9.69 ⁴ (11/11/91) | 9.40 ⁴ (11/11/91) |

³ The Standardized Total Returns are average annual total returns as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed contingent deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed contingent deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

⁴ Performance data for Institutional and Service Shares prior to May 1, 1997 (commencement of operations) is that of Class A Shares. Class A Share performance for such period is that of a predecessor separate account (which converted into Class A Shares) adjusted to reflect the higher fees and expenses applicable to the Fund's Class A Shares. Although the predecessor separate account was managed by Goldman Sachs Asset Management in a manner and pursuant to investment objectives in all material respects equivalent to management and investment objectives of the CORE Large Cap Growth Fund, the separate account was not registered under the Investment Company Act of 1940 (the "Act") and was not subject to certain investment restrictions imposed by the Act. If it had registered under the Act, performance might have been adversely affected. The fees applicable to Institutional and Service Shares are different from those applicable to Class A Shares, which impacts performance ratings and rankings for a class of shares.

Total return figures in the above charts represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

TOP 10 HOLDINGS AS OF 8/31/03⁵

| Holding | % of Net Assets | Line of Business |
|--------------------------|-----------------|--------------------|
| Intel Corp. | 4.9% | Semiconductors |
| General Electric Co. | 4.7 | Financial Services |
| Wal-Mart Stores, Inc. | 4.1 | Department Stores |
| Pfizer, Inc. | 3.8 | Drugs |
| Microsoft Corp. | 3.7 | Computer Software |
| Oracle Corp. | 2.2 | Computer Software |
| Johnson & Johnson | 1.9 | Drugs |
| The Procter & Gamble Co. | 1.9 | Home Products |
| Medtronic, Inc. | 1.8 | Medical Products |
| Eli Lilly & Co. | 1.8 | Drugs |

⁵ The top 10 holdings may not be representative of the Fund's future investments.

CORE Small Cap Equity Fund

Dear Shareholder,

This report provides an overview on the performance of the Goldman Sachs CORE Small Cap Equity Fund during the one-year reporting period that ended August 31, 2003.

Performance Review

Over the one-year period that ended August 31, 2003, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 24.04%, 23.03%, 23.09%, 24.50%, and 23.87%, respectively. These returns compare to the 29.08% cumulative total return of the Fund's benchmark, the Russell 2000 Index (with dividends reinvested).

The one-year period ending August 31, 2003 was a difficult period for many managers, particularly in the small-cap space, as investors became overly enthusiastic about the strength and speed of the expected economic recovery. As a result, higher risk, lower quality stocks were unduly rewarded. In managing the Fund, we seek to outperform the benchmark by investing in a portfolio of stocks that possess a number of fundamental factors, including compelling valuations, profitability, and quality of earnings. With more speculative stocks outperforming, the Fund lagged its benchmark on a relative basis.

Portfolio Positioning

The CORE investment process analyzes each stock based upon its Valuation and Momentum characteristics, Earnings Quality, Profitability, Management Impact as well as a Fundamental Research assessment. Over the one-year reporting period, returns to the CORE themes were mixed. Profitability contributed the most positively for the period, as companies with strong profit margins and good operating efficiency boosted relative returns. Earnings Quality, Valuation, and Management Impact also added value for the period, while Fundamental Research detracted from relative returns somewhat. However, owning companies with strong Momentum characteristics (and avoidance of those with weak Momentum) hurt relative returns most significantly for the period.

Portfolio Highlights

Stock selection was largely unsuccessful for the period, with the Fund's holdings underperforming their peers in the benchmark in eight of the 13 sectors. In particular, the Fund's holdings in the Technology sector detracted significantly from relative returns. Among the Fund's least successful holdings were overweight positions in Anixter International, Inc., FelCor Lodging Trust, Inc. and Visteon Corp. The Fund's best relative performers were stocks in the Industrials and Basic Materials sectors. Examples of stocks that contributed most positively to relative performance were overweight positions in Avid Technology, Inc., PacifiCare Health Systems, Inc. and Allen Telecom Inc. We have since sold out of the Fund's positions in PacifiCare Health Systems, Inc. and Allen Telecom Inc.

We thank you for your investment and look forward to your continued confidence.

Goldman Sachs Quantitative Equity Investment Team

New York, September 15, 2003

CORESM Small Cap Equity Fund

as of August 31, 2003

Assets Under Management

\$277.9 Million

Number of Holdings

454

NASDAQ SYMBOLS

Class A Shares

GCSAX

Class B Shares

GCSBX

Class C Shares

GCSCX

Institutional Shares

GCSIX

Service Shares

GCSSX

PERFORMANCE REVIEW

| September 1, 2002–August 31, 2003 | Fund Total Return (based on NAV) ¹ | Russell 2000 Index ² |
|-----------------------------------|--|---------------------------------|
| Class A | 24.04% | 29.08% |
| Class B | 23.03 | 29.08 |
| Class C | 23.09 | 29.08 |
| Institutional | 24.50 | 29.08 |
| Service | 23.87 | 29.08 |

¹The net asset value (NAV) represents the net assets of the class of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance reflects the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charge.

²The Russell 2000 Index (with dividends reinvested) is an unmanaged index of common stock prices that measures the performance of the 2000 smallest companies in the Russell 3000 Index. The Index figures do not reflect any deduction for fees, expenses or taxes.

STANDARDIZED TOTAL RETURNS³

| For the period ended 6/30/03 | Class A | Class B | Class C | Institutional | Service |
|------------------------------|---------|---------|---------|---------------|---------|
| One Year | -8.22% | -8.47% | -4.61% | -2.55% | -2.98% |
| Five Years | -0.35 | -0.39 | 0.06 | 1.16 | 0.67 |
| Since Inception (8/15/97) | 2.44 | 2.48 | 2.70 | 3.81 | 3.33 |

³The Standardized Total Returns are average annual total returns as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed contingent deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed contingent deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

Total return figures in the above charts represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

TOP 10 HOLDINGS AS OF 8/31/03⁴

| Holding | % of Net Assets | Line of Business |
|-----------------------------------|-----------------|-----------------------------|
| United Stationers, Inc. | 1.3% | Forestry and Paper |
| Sunoco, Inc. | 1.0 | Oil Refining |
| LandAmerica Financial Group, Inc. | 1.0 | Property/Casualty Insurance |
| HRPT Properties Trust | 1.0 | Equity REIT |
| Silicon Valley Bancshares | 0.9 | Banks |
| Briggs & Stratton Corp. | 0.8 | Industrial Parts |
| Kos Pharmaceuticals, Inc. | 0.8 | Biotechnology |
| Pulitzer, Inc. | 0.8 | Publishing |
| Anixter International, Inc. | 0.7 | Electronic Equipment |
| Owens & Minor, Inc. | 0.7 | Medical Products |

⁴The top 10 holdings may not be representative of the Fund's future investments.

CORE Large Cap Value Fund

Dear Shareholder,

This report provides an overview on the performance of the Goldman Sachs CORE Large Cap Value Fund during the one-year reporting period that ended August 31, 2003.

Performance Review

Over the one-year period that ended August 31, 2003, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 9.70%, 8.83%, 8.95%, 10.03%, and 9.58%, respectively. These returns compare to the 11.63% cumulative total return of the Fund's benchmark, the Russell 1000 Value Index (with dividends reinvested).

During the reporting period, the market's largest gains came from higher risk, more speculative stocks. As a result, many portfolio managers who, like us, have a high quality or stable growth bias tended to underperform their benchmark. As the market's gains were more subdued towards the end of the period, investors favored stocks with stronger fundamentals, helping the CORE process to again add value. However, this was not enough to make up for the Fund's relative underperformance earlier in the period.

Portfolio Positioning

The CORE investment process analyzes each stock based upon its Valuation and Momentum characteristics, Earnings Quality, Profitability and Management Impact, as well as a Fundamental Research assessment. Over the one-year reporting period, returns to the various themes were mixed. Owning companies with strong Momentum characteristics (and avoidance of those with weak Momentum) hurt relative returns most significantly for the period. Valuation, Fundamental Research, and Management Impact also struggled, though less significantly. Profitability contributed the most positively for the period, as companies with strong profit margins and good operating efficiency boosted relative returns most, followed at some distance by Earnings Quality.

Portfolio Highlights

During the period, stock selection was weak overall. Although the Fund's absolute returns were positive in the Financial and Technology sectors, its holdings underperformed those in the benchmark the most for the period. Among the Fund's least successful holdings were overweight positions in R.J. Reynolds Tobacco Holdings, Inc., Kraft Foods, Inc. and an underweight position in J.P. Morgan Chase & Co. Meanwhile, the Fund's holdings in the Health Care sector added value but did little to offset losses felt elsewhere. Examples of stocks that contributed most to relative performance were overweight positions in PacifiCare Health Systems, Inc., PG&E, and Edison International. We have since sold out of the Fund's position in PG&E.

We thank you for your investment and look forward to your continued confidence.

Goldman Sachs Quantitative Equity Investment Team

New York, September 15, 2003

CORESM Large Cap Value Fund

as of August 31, 2003

Assets Under Management

\$257.1 Million

Number of Holdings

174

NASDAQ SYMBOLS

Class A Shares

GCVAX

Class B Shares

GCVBX

Class C Shares

GCVCX

Institutional Shares

GCVIX

Service Shares

GCLSX

PERFORMANCE REVIEW

| September 1, 2002–August 31, 2003 | Fund Total Return (based on NAV) ¹ | Russell 1000 Value Index ² |
|-----------------------------------|--|--|
| Class A | 9.70% | 11.63% |
| Class B | 8.83 | 11.63 |
| Class C | 8.95 | 11.63 |
| Institutional | 10.03 | 11.63 |
| Service | 9.58 | 11.63 |

¹The net asset value (NAV) represents the net assets of the class of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance reflects the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

²The Russell 1000 Value Index (inception date 1/1/99) is an unmanaged market capitalization weighted index of the 1,000 largest U.S. companies with lower price-to-book ratios and lower forecasted growth values. The Index figures do not reflect any deduction for fees, expenses or taxes.

STANDARDIZED TOTAL RETURNS³

| For the period ended 6/30/03 | Class A | Class B | Class C | Institutional | Service |
|-------------------------------|---------|---------|---------|---------------|---------|
| One Year | -8.05% | -8.29% | -4.30% | -2.31% | -2.70% |
| Since Inception (12/31/98) | -2.03 | -2.00 | -1.52 | -0.43 | -0.88 |

³The Standardized Total Returns are average annual total returns as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed contingent deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed contingent deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

Total return figures in the above charts represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

TOP 10 HOLDINGS AS OF 8/31/03⁴

| Holding | % of Net Assets | Line of Business |
|-------------------------|-----------------|-------------------|
| Exxon Mobil Corp. | 4.6% | Energy Reserves |
| Citigroup, Inc. | 3.6 | Banks |
| Bank of America Corp. | 2.6 | Banks |
| Hewlett-Packard Co. | 2.2 | Computer Hardware |
| Wachovia Corp. | 2.0 | Banks |
| Wells Fargo & Co. | 2.0 | Banks |
| J.P. Morgan Chase & Co. | 1.9 | Banks |
| Viacom, Inc. | 1.8 | Entertainment |
| Caterpillar, Inc. | 1.5 | Heavy Machinery |
| Liberty Media Corp. | 1.4 | Media |

⁴The top 10 holdings may not be representative of the Fund's future investments.

International CORESM Investment Process

GOLDMAN SACHS' CORE INTERNATIONAL INVESTMENT PROCESS

1 DISCIPLINED GLOBAL STOCK SELECTION (Bottom-up)



2 DISCIPLINED GLOBAL COUNTRY/CURRENCY SELECTION (Top-down)



3 CAREFUL PORTFOLIO CONSTRUCTION



4 RESULTS

1 DISCIPLINED GLOBAL STOCK SELECTION (Bottom-up)

- **Comprehensive** – We calculate expected excess returns for more than 3,500 stocks on a daily basis.
- **Objective** – Our stock selection process is free from emotion that can lead to biased investment decisions.
- **Rigorous** – We evaluate stocks based on fundamental investment criteria that have outperformed historically.

2 DISCIPLINED GLOBAL COUNTRY/CURRENCY SELECTION (Top-down)

- We actively manage exposures to global equity markets and currencies while seeking to maximize the return potential of our investment criteria.

3 CAREFUL PORTFOLIO CONSTRUCTION

- We use unique, proprietary risk models for stock, country and currency selection that are more precise, more focused and faster to respond to the changing market environment.

4 RESULTS

Fully invested, well-diversified International portfolio that:

- Blends top-down market views with bottom-up stock selection.
- Maintains style, sector, risk and capitalization characteristics similar to the benchmark.
- Aims to achieve excess returns by taking intentional country and currency bets and many small diversified stock positions.

CORE International Equity Fund

Dear Shareholder,

This report provides an overview on the performance of the Goldman Sachs CORE International Equity Fund during the one-year reporting period that ended August 31, 2003.

Performance Review

Over the one-year period that ended August 31, 2003, the Fund's Class A, B, C, Institutional, and Service Shares generated cumulative total returns, without sales charges, of 5.00%, 4.45%, 4.38%, 5.64%, and 5.14%, respectively. These returns compare to the 9.58% cumulative total return of the Fund's benchmark, the Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) Index (unhedged, with dividends reinvested).

During the reporting period, the market's largest gains came from higher risk, more speculative stocks. As a result, many portfolio managers who, like us, have a high quality or stable growth bias tended to underperform their benchmark. As the market's gains were more subdued towards the end of the period, investors favored stocks with stronger fundamentals, helping the CORE process to again add value. However, this was not enough to make up for the Fund's relative underperformance earlier in the period.

Regional Allocations

In general, the Fund's country tilts contributed positively to relative performance, with underweight positions in France and the Netherlands and an overweight position in Japan the most successful for the period. On the downside, overweight positions in Germany and Sweden detracted the most from relative performance.

Sector Allocations

Our strategy remained sector-neutral within countries so that sector tilts that occurred within the Fund were the result of our country allocation decisions. During the period, the Fund's holdings in the Finance sector generated the weakest results relative to the benchmark followed at a distance by Capital Equipment. The Fund's strongest sectors compared with the benchmark were Materials and Multi-Industry.

Stock Selection

Overall, stock selection within countries detracted significantly from performance relative to the benchmark, although both the Fund and the Index were up in absolute terms. Stock selection versus their peers in the benchmark was the least successful in the UK, one of the top-weighted countries. On the upside, stronger stock selection in Australia, Switzerland and Spain offset some of the relative losses.

We thank you for your investment and look forward to your continued confidence.

Goldman Sachs Quantitative Equity Investment Team

New York, September 15, 2003

CORESM International Equity Fund

as of August 31, 2003

Assets Under Management

\$262.3 Million

Number of Holdings

320

NASDAQ SYMBOLS

Class A Shares

GCIAX

Class B Shares

GCIBX

Class C Shares

GCICX

Institutional Shares

GCIIX

Service Shares

GCISX

PERFORMANCE REVIEW

| September 1, 2002–August 31, 2003 | Fund Total Return (based on NAV) ¹ | MSCI EAFE Index ² |
|-----------------------------------|--|------------------------------|
| Class A | 5.00% | 9.58% |
| Class B | 4.45 | 9.58 |
| Class C | 4.38 | 9.58 |
| Institutional | 5.64 | 9.58 |
| Service | 5.14 | 9.58 |

¹The net asset value (NAV) represents the net assets of the class of the Fund (ex-dividend) divided by the total number of shares of the class outstanding. The Fund's performance reflects the reinvestment of dividends and other distributions. The Fund's performance does not reflect the deduction of any applicable sales charges.

²The unmanaged Morgan Stanley Capital International (MSCI) Europe, Australasia, Far East (EAFE) Index (unhedged, with dividends reinvested) is a market capitalization weighted composite of securities in 21 developed markets. The Index figures do not reflect any deduction for fees, expenses or taxes.

STANDARDIZED TOTAL RETURNS³

| For the period ended 6/30/03 | Class A | Class B | Class C | Institutional | Service |
|------------------------------|---------|---------|---------|---------------|---------|
| One Year | -15.03% | -15.13% | -11.50% | -9.56% | -10.17% |
| Five Years | -5.45 | -5.23 | -4.86 | -3.73 | -4.23 |
| Since Inception (8/15/97) | -4.65 | -4.35 | -4.18 | -3.09 | -3.58 |

³The Standardized Total Returns are average annual total returns as of the most recent calendar quarter-end. They assume reinvestment of all distributions at net asset value. These returns reflect a maximum initial sales charge of 5.5% for Class A Shares, the assumed contingent deferred sales charge for Class B Shares (5% maximum declining to 0% after six years) and the assumed contingent deferred sales charge for Class C Shares (1% if redeemed within 12 months of purchase). Because Institutional and Service Shares do not involve a sales charge, such a charge is not applied to their Standardized Total Returns.

Total return figures in the above charts represent past performance and do not indicate future results, which will vary. The investment return and principal value of an investment will fluctuate and, therefore, an investor's shares, when redeemed, may be worth more or less than their original cost. Performance reflects expense limitations in effect. In their absence, performance would be reduced. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

TOP 10 HOLDINGS AS OF 8/31/03⁴

| Holding | % of Net Assets | Line of Business |
|------------------------------------|-----------------|------------------------|
| BP PLC | 2.4% | Energy Sources |
| Siemens AG | 2.3 | Multi-Industry |
| Vodafone Group PLC ADR | 1.8 | Telecommunications |
| Nippon Telephone & Telegraph Corp. | 1.8 | Telecommunications |
| HSBC Holdings PLC | 1.7 | Banking |
| GlaxoSmithKline PLC ADR | 1.6 | Health & Personal Care |
| TotalFinaElf SA | 1.6 | Energy Sources |
| Denso Corp. | 1.5 | Industrial Components |
| HBOS PLC | 1.5 | Banking |
| Deutsche Telekom AG | 1.4 | Telecommunications |

⁴The top 10 holdings may not be representative of the Fund's future investments.

Performance Summary

August 31, 2003

The following graph shows the value, as of August 31, 2003, of a \$10,000 investment made on May 24, 1991 (commencement of operations) in Class A Shares (maximum sales charge of 5.5%) of the Goldman Sachs CORE U.S. Equity Fund. For comparative purposes, the performance of the Fund's benchmark, the Standard and Poor's 500 Index (with dividends reinvested) ("S&P 500 Index"), is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class B, Class C, Institutional and Service Shares will vary from Class A Shares due to differences in fees and loads. In addition to the investment adviser's decisions regarding issuer/industry/country investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio.

CORE U.S. Equity Fund's Lifetime Performance

Performance of a \$10,000 Investment, Distributions Reinvested May 24, 1991 to August 31, 2003.



Average Annual Total Return through August 31, 2003

| | Since Inception | Ten Years | Five Years | One Year |
|--|-----------------|-----------|------------|----------|
| Class A (commenced May 24, 1991) | | | | |
| Excluding sales charges | 9.17% | 9.59% | 2.60% | 11.90% |
| Including sales charges | 8.67% | 8.97% | 1.45% | 5.76% |
| Class B (commenced May 1, 1996) | | | | |
| Excluding contingent deferred sales charges | 5.93% | n/a | 1.84% | 11.10% |
| Including contingent deferred sales charges | 5.93% | n/a | 1.43% | 6.10% |
| Class C (commenced August 15, 1997) | | | | |
| Excluding contingent deferred sales charges | 1.37% | n/a | 1.84% | 11.15% |
| Including contingent deferred sales charges | 1.37% | n/a | 1.84% | 10.15% |
| Institutional Class (commenced June 15, 1995) | 9.31% | n/a | 3.02% | 12.40% |
| Service Class (commenced June 7, 1996) | 6.30% | n/a | 2.51% | 11.83% |

Statement of Investments

August 31, 2003

| Shares | Description | Value |
|--------------------------------------|--|--------------|
| Common Stocks – 100.1% | | |
| Airlines – 0.2% | | |
| 78,300 | Southwest Airlines Co. | \$ 1,338,147 |
| Apparel & Textiles – 0.1% | | |
| 16,600 | V. F. Corp. | 665,660 |
| Banks – 10.9% | | |
| 16,480 | Associated Banc-Corp. | 629,042 |
| 180,062 | Bank of America Corp. | 14,269,913 |
| 20,500 | Bank of Hawaii Corp. | 694,950 |
| 43,300 | Charter One Financial, Inc. | 1,342,300 |
| 496,800 | Citigroup, Inc. | 21,536,280 |
| 54,200 | FleetBoston Financial Corp. | 1,603,778 |
| 42,100 | National City Corp. | 1,333,728 |
| 95,800 | SunTrust Banks, Inc. | 5,856,254 |
| 308,900 | U.S. Bancorp. | 7,382,710 |
| 237,300 | Wachovia Corp. | 10,002,195 |
| 119,900 | Wells Fargo & Co. | 6,011,786 |
| | | 70,662,936 |
| Biotechnology – 2.6% | | |
| 76,992 | Amgen, Inc.* | 5,073,773 |
| 48,000 | Applera Corp. – Applied Biosystems Group | 1,044,480 |
| 38,500 | Chiron Corp.* | 1,956,570 |
| 29,800 | Genentech, Inc.* | 2,366,120 |
| 35,100 | Gilead Sciences, Inc.* | 2,341,170 |
| 113,900 | MedImmune, Inc.* | 3,971,693 |
| | | 16,753,806 |
| Chemicals – 1.9% | | |
| 27,200 | 3M Co. | 3,875,184 |
| 205,900 | Monsanto Co. | 5,293,689 |
| 22,800 | Sealed Air Corp.* | 1,109,448 |
| 24,500 | Sherwin-Williams Co. | 736,960 |
| 19,100 | The Lubrizol Corp. | 649,400 |
| 13,500 | The Valspar Corp. | 627,345 |
| | | 12,292,026 |
| Computer Hardware – 3.2% | | |
| 158,000 | Cisco Systems, Inc.* | 3,025,700 |
| 145,600 | Dell, Inc.* | 4,750,928 |
| 516,985 | Hewlett-Packard Co. | 10,298,341 |
| 27,500 | Lexmark International, Inc.* | 1,843,600 |
| 69,500 | Xerox Corp.* | 749,210 |
| | | 20,667,779 |
| Computer Software – 6.0% | | |
| 19,700 | Adobe Systems, Inc. | 764,951 |
| 169,300 | BMC Software, Inc.* | 2,485,324 |
| 212,000 | Citrix Systems, Inc.* | 4,365,080 |
| 67,800 | Computer Associates International, Inc. | 1,737,714 |
| 59,500 | International Business Machines Corp. | 4,879,595 |
| 149,700 | Intuit, Inc.* | 6,784,404 |
| 543,600 | Microsoft Corp. | 14,416,272 |

| Shares | Description | Value |
|--|--------------------------------------|--------------|
| Common Stocks – (continued) | | |
| Computer Software – (continued) | | |
| 175,500 | Oracle Corp.* | \$ 2,242,890 |
| 28,300 | VERITAS Software Corp.* | 975,784 |
| | | 38,652,014 |
| Construction & Real Property – 0.1% | | |
| 1,550 | NVR, Inc.* | 671,925 |
| Defense & Aerospace – 0.1% | | |
| 24,000 | Rockwell Collins, Inc. | 649,200 |
| Department Stores – 5.6% | | |
| 151,600 | Costco Wholesale Corp.* | 4,864,844 |
| 42,000 | Dillard's, Inc. | 635,460 |
| 360,200 | J. C. Penney Co., Inc. (Holding Co.) | 7,643,444 |
| 393,800 | Wal-Mart Stores, Inc. | 23,301,146 |
| | | 36,444,894 |
| Drugs – 7.6% | | |
| 142,100 | Eli Lilly & Co. | 9,453,913 |
| 11,700 | Forest Laboratories, Inc.* | 549,900 |
| 261,000 | Johnson & Johnson | 12,940,380 |
| 197,000 | McKesson Corp. | 6,449,780 |
| 149,000 | Merck & Co., Inc. | 7,497,680 |
| 28,500 | Mylan Laboratories, Inc. | 1,037,400 |
| 369,430 | Pfizer, Inc. | 11,053,346 |
| | | 48,982,399 |
| Electric Utility – 1.4% | | |
| 70,300 | Edison International* | 1,325,858 |
| 134,300 | Entergy Corp. | 7,044,035 |
| 14,700 | FPL Group, Inc. | 909,342 |
| | | 9,279,235 |
| Electronic Equipment – 3.4% | | |
| 83,700 | Comverse Technology, Inc.* | 1,380,213 |
| 232,700 | Corning, Inc.* | 1,919,775 |
| 697,600 | Motorola, Inc. | 7,485,248 |
| 224,600 | QUALCOMM, Inc. | 9,271,488 |
| 47,300 | Scientific-Atlanta, Inc. | 1,608,200 |
| | | 21,664,924 |
| Energy Reserves – 4.3% | | |
| 12,000 | Burlington Resources, Inc. | 581,040 |
| 52,300 | Devon Energy Corp. | 2,706,525 |
| 583,816 | Exxon Mobil Corp. | 22,009,863 |
| 68,300 | Occidental Petroleum Corp. | 2,344,739 |
| | | 27,642,167 |
| Entertainment – 1.6% | | |
| 231,206 | Viacom, Inc. Class B | 10,404,270 |
| Environmental Services – 0.7% | | |
| 172,100 | Waste Management, Inc. | 4,579,581 |
| Equity REIT – 0.3% | | |
| 67,200 | Equity Office Properties Trust | 1,869,504 |

| Shares | Description | Value |
|--|---------------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Financial Services – 3.1% | | |
| 32,400 | Capital One Financial Corp. | \$ 1,730,160 |
| 14,500 | Countrywide Financial Corp. | 983,825 |
| 467,000 | General Electric Co. | 13,809,190 |
| 34,800 | H&R Block, Inc. | 1,534,680 |
| 47,900 | MBNA Corp. | 1,117,986 |
| 19,500 | SLM Corp. | 783,510 |
| | | <u>19,959,351</u> |
| Food & Beverages – 3.9% | | |
| 299,301 | Archer-Daniels-Midland Co. | 4,151,305 |
| 219,700 | Kraft Foods, Inc. | 6,525,090 |
| 36,400 | SUPERVALU, INC. | 877,240 |
| 253,800 | SYSCO Corp. | 7,984,548 |
| 37,400 | The Coca-Cola Co. | 1,627,648 |
| 369,300 | Tyson Foods, Inc. | 4,136,160 |
| | | <u>25,301,991</u> |
| Gold – 0.1% | | |
| 27,200 | Freeport-McMoRan Copper & Gold, Inc. | 816,000 |
| Heavy Electrical Equipment – 0.1% | | |
| 49,600 | American Power Conversion Corp. | 888,832 |
| Heavy Machinery – 0.8% | | |
| 70,800 | Caterpillar, Inc. | 5,085,564 |
| Home Products – 3.8% | | |
| 114,500 | Avon Products, Inc. | 7,339,450 |
| 27,100 | Colgate-Palmolive Co. | 1,498,088 |
| 106,700 | The Gillette Co. | 3,463,482 |
| 141,500 | The Procter & Gamble Co. | 12,351,535 |
| | | <u>24,652,555</u> |
| Industrial Parts – 1.1% | | |
| 315,100 | Tyco International Ltd. | 6,484,758 |
| 12,800 | W.W. Grainger, Inc. | 637,824 |
| | | <u>7,122,582</u> |
| Information Services – 1.6% | | |
| 26,300 | Automatic Data Processing, Inc. | 1,049,633 |
| 34,400 | Computer Sciences Corp.* | 1,464,408 |
| 11,000 | Fair Isaac Corp. | 644,600 |
| 121,200 | Moody's Corp. | 6,285,432 |
| 26,500 | Viad Corp. | 632,820 |
| | | <u>10,076,893</u> |
| Internet – 0.6% | | |
| 118,100 | Yahoo!, Inc.* | 3,944,540 |
| Life/Health Insurance – 2.9% | | |
| 100,300 | John Hancock Financial Services, Inc. | 3,062,159 |
| 114,400 | MetLife, Inc. | 3,251,248 |
| 21,800 | Nationwide Financial Services, Inc. | 643,100 |
| 135,900 | Principal Financial Inc. | 4,275,414 |
| 215,000 | Prudential Financial, Inc. | 7,828,150 |
| | | <u>19,060,071</u> |

| Shares | Description | Value |
|---|---|-------------------|
| Common Stocks – (continued) | | |
| Media – 4.4% | | |
| 493,900 | AOL Time Warner, Inc.* | \$ 8,080,204 |
| 16,600 | Clear Channel Communications, Inc.* | 748,992 |
| 152,721 | Comcast Corp.* | 4,543,450 |
| 209,400 | Fox Entertainment Group, Inc.* | 6,612,852 |
| 126,200 | General Motors Corp. Class H* | 1,885,428 |
| 566,100 | Liberty Media Corp.* | 6,849,810 |
| | | <u>28,720,736</u> |
| Medical Products – 3.3% | | |
| 123,900 | Boston Scientific Corp.* | 7,446,390 |
| 127,300 | Guidant Corp. | 6,390,460 |
| 138,500 | Zimmer Holdings, Inc.* | 7,165,990 |
| | | <u>21,002,840</u> |
| Medical Services – 1.0% | | |
| 63,600 | Health Net, Inc.* | 2,024,388 |
| 17,969 | Medco Health Solutions, Inc.* | 479,783 |
| 33,000 | Oxford Health Plans, Inc.* | 1,196,250 |
| 55,800 | UnitedHealth Group, Inc. | 2,758,194 |
| | | <u>6,458,615</u> |
| Motor Vehicles & Parts – 3.2% | | |
| 221,000 | AutoNation, Inc.* | 4,152,590 |
| 74,300 | Delphi Corp. | 673,158 |
| 316,800 | Ford Motor Co. | 3,662,208 |
| 208,200 | General Motors Corp. | 8,557,020 |
| 36,900 | Johnson Controls, Inc. | 3,653,100 |
| | | <u>20,698,076</u> |
| Oil Refining – 1.1% | | |
| 84,613 | ConocoPhillips | 4,724,790 |
| 44,000 | Sunoco, Inc. | 1,787,720 |
| 15,700 | Valero Energy Corp. | 618,580 |
| | | <u>7,131,090</u> |
| Oil Services – 1.2% | | |
| 285,400 | Halliburton Co. | 6,900,972 |
| 36,400 | Transocean, Inc.* | 768,768 |
| | | <u>7,669,740</u> |
| Property/Casualty Insurance – 2.4% | | |
| 26,700 | American Financial Group, Inc. | 584,196 |
| 79,889 | American International Group, Inc. | 4,758,988 |
| 89,625 | Fidelity National Financial, Inc. | 2,590,163 |
| 149,000 | Loews Corp. | 6,132,840 |
| 73,066 | Travelers Property Casualty Corp. Class B | 1,131,792 |
| | | <u>15,197,979</u> |
| Publishing – 0.5% | | |
| 19,100 | Banta Corp. | 663,343 |
| 60,800 | Deluxe Corp. | 2,596,160 |
| | | <u>3,259,503</u> |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|---|---|----------------------|
| Common Stocks – (continued) | | |
| Railroads – 0.3% | | |
| 40,900 | Burlington Northern Santa Fe Corp. | \$ 1,159,515 |
| 28,100 | Trinity Industries, Inc. | 739,592 |
| | | <u>1,899,107</u> |
| Restaurants – 0.4% | | |
| 82,800 | Starbucks Corp.* | 2,354,832 |
| Securities & Asset Management – 2.0% | | |
| 70,600 | Ameritrade Holding Corp.* | 767,422 |
| 68,500 | Merrill Lynch & Co., Inc. | 3,683,930 |
| 159,100 | Morgan Stanley | 7,762,489 |
| 9,300 | The Bear Stearns Companies, Inc. | 650,814 |
| | | <u>12,864,655</u> |
| Semiconductors – 4.5% | | |
| 84,400 | Advanced Micro Devices, Inc.* | 952,876 |
| 172,800 | Arrow Electronics, Inc.* | 3,566,592 |
| 275,500 | Avnet, Inc.* | 4,972,775 |
| 397,700 | Intel Corp. | 11,382,174 |
| 87,000 | SanDisk Corp.* | 5,260,020 |
| 75,200 | Texas Instruments, Inc. | 1,793,520 |
| 53,000 | Vishay Intertechnology, Inc.* | 872,910 |
| | | <u>28,800,867</u> |
| Specialty Retail – 2.1% | | |
| 150,700 | CVS Corp. | 4,912,820 |
| 338,900 | Staples, Inc.* | 8,347,107 |
| | | <u>13,259,927</u> |
| Telephone – 3.2% | | |
| 129,600 | Qwest Communications International, Inc.* | 576,720 |
| 208,322 | SBC Communications, Inc. | 4,685,162 |
| 498,700 | Sprint Corp. | 7,365,799 |
| 234,518 | Verizon Communications, Inc. | 8,283,175 |
| | | <u>20,910,856</u> |
| Thriffs – 0.3% | | |
| 43,100 | Washington Mutual, Inc. | 1,680,038 |
| Tobacco – 1.0% | | |
| 23,700 | Loews Corp. – Carolina Group | 538,227 |
| 172,200 | R.J. Reynolds Tobacco Holdings, Inc. | 5,880,630 |
| | | <u>6,418,857</u> |
| Truck/Sea/Air Freight – 0.1% | | |
| 12,600 | United Parcel Service, Inc. Class B | 790,776 |
| Wireless Telecommunications – 1.1% | | |
| 46,700 | ALLTEL Corp. | 2,138,860 |
| 476,242 | AT&T Wireless Services, Inc.* | 4,105,206 |
| 40,100 | United States Cellular Corp.* | 1,121,196 |
| | | <u>7,365,262</u> |
| TOTAL COMMON STOCKS | | |
| (Cost \$560,169,200) | | \$646,612,602 |

| Principal Amount | Interest Rate | Maturity Date | Value |
|---|---------------|---------------|----------------------|
| Repurchase Agreement – 0.0% | | | |
| Joint Repurchase Agreement Account II [^] | | | |
| \$ 100,000 | 1.07% | 09/02/2003 | \$ 100,000 |
| Maturity Value: \$100,012 | | | |
| TOTAL REPURCHASE AGREEMENT | | | |
| (Cost \$100,000) | | | \$ 100,000 |
| TOTAL INVESTMENTS BEFORE SECURITIES LENDING COLLATERAL | | | |
| (Cost \$560,269,200) | | | \$646,712,602 |

| Shares | Description | Value |
|---|---|----------------------|
| Securities Lending Collateral – 1.6% | | |
| 10,395,400 | Boston Global Investment Trust – Enhanced Portfolio | \$ 10,395,400 |
| TOTAL SECURITIES LENDING COLLATERAL | | |
| (Cost \$10,395,400) | | \$ 10,395,400 |
| TOTAL INVESTMENTS | | |
| (Cost \$570,664,600) | | \$657,108,002 |

* Non-income producing security.

[^] Joint repurchase agreement was entered into on August 29, 2003.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

Investment Abbreviations:

REIT—Real Estate Investment Trust

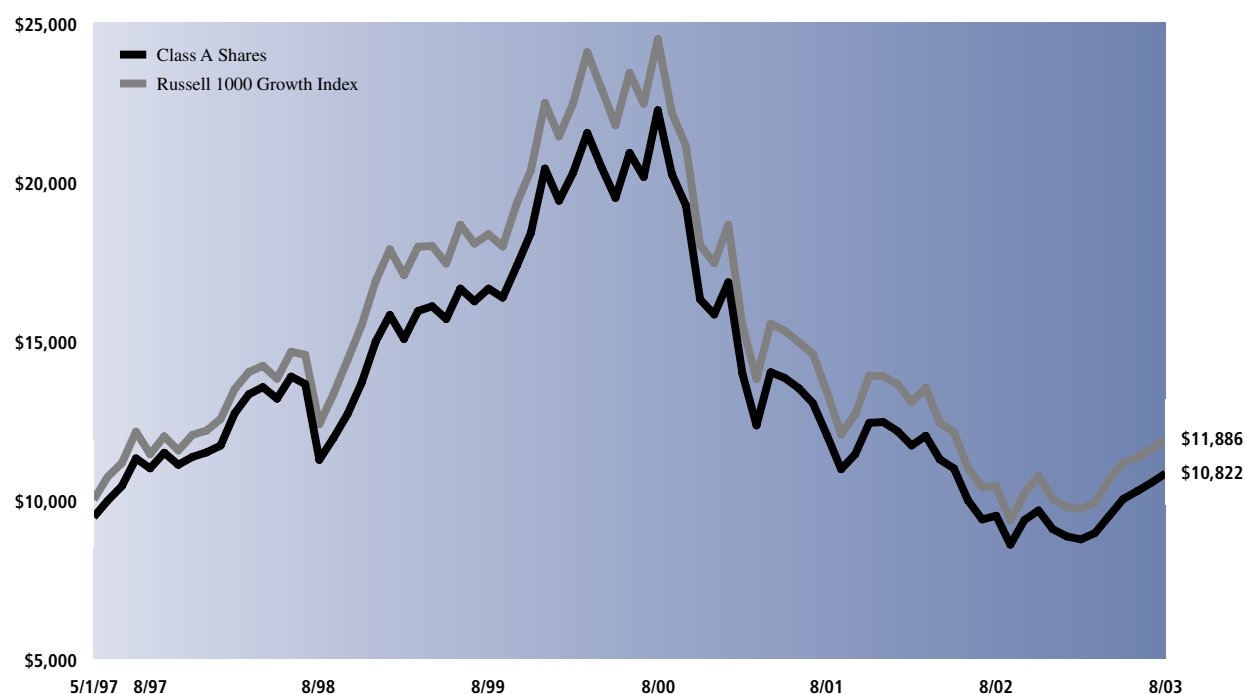
Performance Summary

August 31, 2003

The following graph shows the value, as of August 31, 2003, of a \$10,000 investment made on May 1, 1997 (commencement of operations) in Class A Shares (maximum sales charge of 5.5%) of the Goldman Sachs CORE Large Cap Growth Fund. For comparative purposes, the performance of the Fund's benchmark, the Russell 1000 Growth Index (with dividends reinvested), is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class B, Class C, Institutional and Service Shares will vary from Class A Shares due to differences in fees and loads. In addition to the investment adviser's decisions regarding issuer/industry/country investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio.

CORE Large Cap Growth Fund's Lifetime Performance

Performance of a \$10,000 Investment, Distributions Reinvested May 1, 1997 to August 31, 2003.



Average Annual Total Return through August 31, 2003

| | Since Inception | Five Years | One Year |
|--|-----------------|------------|----------|
| Class A (commenced May 1, 1997) | | | |
| Excluding sales charges | 2.16% | -0.77% | 14.02% |
| Including sales charges | 1.25% | -1.89% | 7.72% |
| Class B (commenced May 1, 1997) | | | |
| Excluding contingent deferred sales charges | 1.43% | -1.51% | 13.19% |
| Including contingent deferred sales charges | 1.43% | -1.91% | 8.19% |
| Class C (commenced August 15, 1997) | | | |
| Excluding contingent deferred sales charges | -1.23% | -1.49% | 13.19% |
| Including contingent deferred sales charges | -1.23% | -1.49% | 12.19% |
| Institutional Class (commenced May 1, 1997) | 2.53% | -0.37% | 14.47% |
| Service Class (commenced May 1, 1997) | 2.03% | -0.85% | 13.87% |

Statement of Investments

August 31, 2003

| Shares | Description | Value |
|--|---|------------|
| Common Stocks – 99.5% | | |
| Banks – 0.2% | | |
| 24,500 | Silicon Valley Bancshares* | \$ 576,240 |
| Biotechnology – 5.0% | | |
| 60,104 | Amgen, Inc.* | 3,960,854 |
| 27,375 | Applera Corp.- Applied Biosystems Group | 595,680 |
| 70,000 | Chiron Corp.* | 3,557,400 |
| 16,900 | Genzyme Corp.* | 796,835 |
| 78,400 | Gilead Sciences, Inc.* | 5,229,280 |
| 129,300 | MedImmune, Inc.* | 4,508,691 |
| | | 18,648,740 |
| Chemicals – 1.2% | | |
| 175,200 | Monsanto Co. | 4,504,392 |
| Computer Hardware – 4.8% | | |
| 301,800 | Cisco Systems, Inc.* | 5,779,470 |
| 165,800 | Dell, Inc.* | 5,410,054 |
| 204,600 | Hewlett-Packard Co. | 4,075,632 |
| 39,000 | Lexmark International, Inc.* | 2,614,560 |
| | | 17,879,716 |
| Computer Software – 9.4% | | |
| 202,300 | BMC Software, Inc.* | 2,969,764 |
| 133,500 | Citrix Systems, Inc.* | 2,748,765 |
| 118,100 | Computer Associates International, Inc. | 3,026,903 |
| 9,200 | International Business Machines Corp. | 754,492 |
| 71,700 | Intuit, Inc.* | 3,249,444 |
| 514,000 | Microsoft Corp. | 13,631,280 |
| 633,800 | Oracle Corp.* | 8,099,964 |
| 11,700 | VERITAS Software Corp.* | 403,416 |
| | | 34,884,028 |
| Construction & Real Property – 0.3% | | |
| 2,850 | NVR, Inc.* | 1,235,475 |
| Consumer Durables – 0.1% | | |
| 18,500 | Leggett & Platt, Inc. | 428,460 |
| Department Stores – 6.0% | | |
| 119,200 | Costco Wholesale Corp.* | 3,825,128 |
| 151,600 | J. C. Penney Co., Inc. (Holding Co.) | 3,216,952 |
| 258,200 | Wal-Mart Stores, Inc. | 15,277,694 |
| | | 22,319,774 |
| Drugs – 12.4% | | |
| 24,100 | Abbott Laboratories | 971,230 |
| 98,600 | Eli Lilly & Co. | 6,559,858 |
| 103,000 | Forest Laboratories, Inc.* | 4,841,000 |
| 143,100 | Johnson & Johnson | 7,094,898 |
| 131,700 | McKesson Corp. | 4,311,858 |
| 6,200 | Medicis Pharmaceutical Corp. | 378,696 |
| 21,900 | Merck & Co., Inc. | 1,102,008 |
| 96,500 | Mylan Laboratories, Inc. | 3,512,600 |
| 465,595 | Pfizer, Inc. | 13,930,602 |
| 80,200 | Watson Pharmaceuticals, Inc.* | 3,296,220 |
| | | 45,998,970 |

| Shares | Description | Value |
|--------------------------------------|--------------------------------------|--------------|
| Common Stocks – (continued) | | |
| Electronic Equipment – 2.1% | | |
| 28,800 | ADTRAN, Inc. | \$ 1,578,240 |
| 28,500 | Advanced Fibre Communications, Inc.* | 663,195 |
| 46,100 | McDATA Corp. Series A* | 467,915 |
| 88,000 | QUALCOMM, Inc. | 3,632,640 |
| 37,500 | Scientific-Atlanta, Inc. | 1,275,000 |
| | | 7,616,990 |
| Energy Reserves – 0.3% | | |
| 6,500 | Burlington Resources, Inc. | 314,730 |
| 12,200 | Devon Energy Corp. | 631,350 |
| | | 946,080 |
| Entertainment – 1.0% | | |
| 85,521 | Viacom, Inc. Class B | 3,848,445 |
| Environmental Services – 0.3% | | |
| 34,800 | Waste Management, Inc. | 926,028 |
| Financial Services – 9.5% | | |
| 50,300 | Countrywide Financial Corp. | 3,412,855 |
| 5,600 | Fannie Mae | 362,824 |
| 593,900 | General Electric Co. | 17,561,623 |
| 85,300 | H&R Block, Inc. | 3,761,730 |
| 15,300 | IndyMac Bancorp, Inc. | 352,818 |
| 50,800 | Marsh & McLennan Companies, Inc. | 2,540,000 |
| 248,750 | MBNA Corp. | 5,805,825 |
| 33,500 | SLM Corp. | 1,346,030 |
| | | 35,143,705 |
| Food & Beverages – 5.7% | | |
| 263,800 | Archer-Daniels-Midland Co. | 3,658,906 |
| 14,800 | Hormel Foods Corp. | 319,680 |
| 131,500 | Kraft Foods, Inc. | 3,905,550 |
| 20,560 | PepsiCo, Inc. | 915,742 |
| 189,300 | SYSCO Corp. | 5,955,378 |
| 55,500 | The Coca-Cola Co. | 2,415,360 |
| 332,800 | Tyson Foods, Inc. | 3,727,360 |
| | | 20,897,976 |
| Gold – 0.2% | | |
| 18,700 | Freeport-McMoRan Copper & Gold, Inc. | 561,000 |
| Home Products – 4.1% | | |
| 40,800 | Colgate-Palmolive Co. | 2,255,424 |
| 181,400 | The Gillette Co. | 5,888,244 |
| 80,400 | The Procter & Gamble Co. | 7,018,116 |
| | | 15,161,784 |

| Shares | Description | Value |
|--|-------------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Information Services – 4.2% | | |
| 152,300 | Automatic Data Processing, Inc. | \$ 6,078,293 |
| 33,500 | Computer Sciences Corp.* | 1,426,095 |
| 141,200 | Convergys Corp.* | 2,541,600 |
| 12,600 | Fair Isaac Corp. | 738,360 |
| 13,400 | Getty Images, Inc.* | 546,720 |
| 13,377 | InterActiveCorp* | 495,083 |
| 61,501 | Moody's Corp. | 3,189,442 |
| 34,100 | Quintiles Transnational Corp.* | 485,584 |
| | | <u>15,501,177</u> |
| Internet – 1.4% | | |
| 111,400 | Amazon.com, Inc.* | 5,173,416 |
| Leisure – 0.3% | | |
| 22,600 | Harley-Davidson, Inc. | 1,125,932 |
| Life/Health Insurance – 1.9% | | |
| 23,300 | Nationwide Financial Services, Inc. | 687,350 |
| 56,000 | Principal Financial, Inc. | 1,761,760 |
| 121,700 | Prudential Financial, Inc. | 4,431,097 |
| | | <u>6,880,207</u> |
| Media – 3.9% | | |
| 69,100 | Comcast Corp.* | 2,055,725 |
| 37,100 | Cox Radio, Inc.* | 895,594 |
| 145,700 | Fox Entertainment Group, Inc.* | 4,601,206 |
| 75,100 | General Motors Corp. Class H* | 1,121,994 |
| 431,400 | Liberty Media Corp.* | 5,219,940 |
| 23,600 | PanAmSat Corp.* | 373,116 |
| | | <u>14,267,575</u> |
| Medical Products – 4.4% | | |
| 15,200 | Boston Scientific Corp.* | 913,520 |
| 35,600 | Guidant Corp. | 1,787,120 |
| 137,900 | Medtronic, Inc. | 6,837,082 |
| 39,100 | Thermo Electron Corp.* | 891,089 |
| 19,200 | Waters Corp.* | 585,600 |
| 104,100 | Zimmer Holdings, Inc.* | 5,386,134 |
| | | <u>16,400,545</u> |
| Medical Services – 3.5% | | |
| 20,000 | AdvancePCS* | 803,600 |
| 54,200 | Caremark Rx, Inc.* | 1,362,046 |
| 13,900 | Coventry Health Care, Inc.* | 652,466 |
| 131,400 | Health Net, Inc.* | 4,182,462 |
| 28,199 | Manor Care, Inc. | 778,292 |
| 2,641 | Medco Health Solutions, Inc.* | 70,519 |
| 55,500 | Oxford Health Plans, Inc.* | 2,011,875 |
| 6,725 | PacifiCare Health Systems, Inc.* | 334,905 |
| 54,500 | UnitedHealth Group, Inc. | 2,693,935 |
| | | <u>12,890,100</u> |
| Motor Vehicles & Parts – 1.1% | | |
| 65,000 | AutoNation, Inc.* | 1,221,350 |
| 67,600 | General Motors Corp. | 2,778,360 |
| | | <u>3,999,710</u> |

| Shares | Description | Value |
|---|--------------------------------------|----------------------|
| Common Stocks – (continued) | | |
| Oil Services – 1.0% | | |
| 154,400 | Halliburton Co. | \$ 3,733,392 |
| Property/Casualty Insurance – 1.3% | | |
| 19,900 | American International Group, Inc. | 1,185,443 |
| 90,000 | Loews Corp. | 3,704,400 |
| | | <u>4,889,843</u> |
| Publishing – 0.5% | | |
| 47,300 | Deluxe Corp. | 2,019,710 |
| Restaurants – 0.2% | | |
| 21,800 | CBRL Group, Inc. | 760,384 |
| Securities & Asset Management – 0.5% | | |
| 30,300 | Morgan Stanley | 1,478,337 |
| 19,000 | Nuveen Investments | 495,330 |
| | | <u>1,973,667</u> |
| Semiconductors – 8.0% | | |
| 21,900 | Analog Devices, Inc.* | 897,900 |
| 82,200 | Arrow Electronics, Inc.* | 1,696,608 |
| 154,100 | Avnet, Inc.* | 2,781,505 |
| 639,000 | Intel Corp. | 18,288,180 |
| 14,600 | Intersil Corp.* | 425,298 |
| 38,800 | SanDisk Corp.* | 2,345,848 |
| 39,900 | Vishay Intertechnology, Inc.* | 657,153 |
| 84,500 | Xilinx, Inc.* | 2,605,980 |
| | | <u>29,698,472</u> |
| Specialty Retail – 3.3% | | |
| 23,900 | AutoZone, Inc.* | 2,194,020 |
| 23,900 | Big Lots, Inc.* | 437,370 |
| 132,800 | Circuit City Stores, Inc. | 1,385,104 |
| 30,100 | Claire's Stores, Inc. | 1,039,955 |
| 218,700 | Staples, Inc.* | 5,386,581 |
| 49,100 | The Home Depot, Inc. | 1,579,056 |
| | | <u>12,022,086</u> |
| Telephone – 0.4% | | |
| 95,847 | Sprint Corp. | 1,415,660 |
| Tobacco – 0.3% | | |
| 34,700 | R.J. Reynolds Tobacco Holdings, Inc. | 1,185,005 |
| Wireless Telecommunications – 0.7% | | |
| 300,500 | AT&T Wireless Services, Inc.* | 2,590,310 |
| TOTAL COMMON STOCKS | | |
| (Cost \$324,436,547) | | \$368,104,994 |
| TOTAL INVESTMENTS | | |
| (Cost \$324,436,547) | | \$368,104,994 |

* Non-income producing security.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

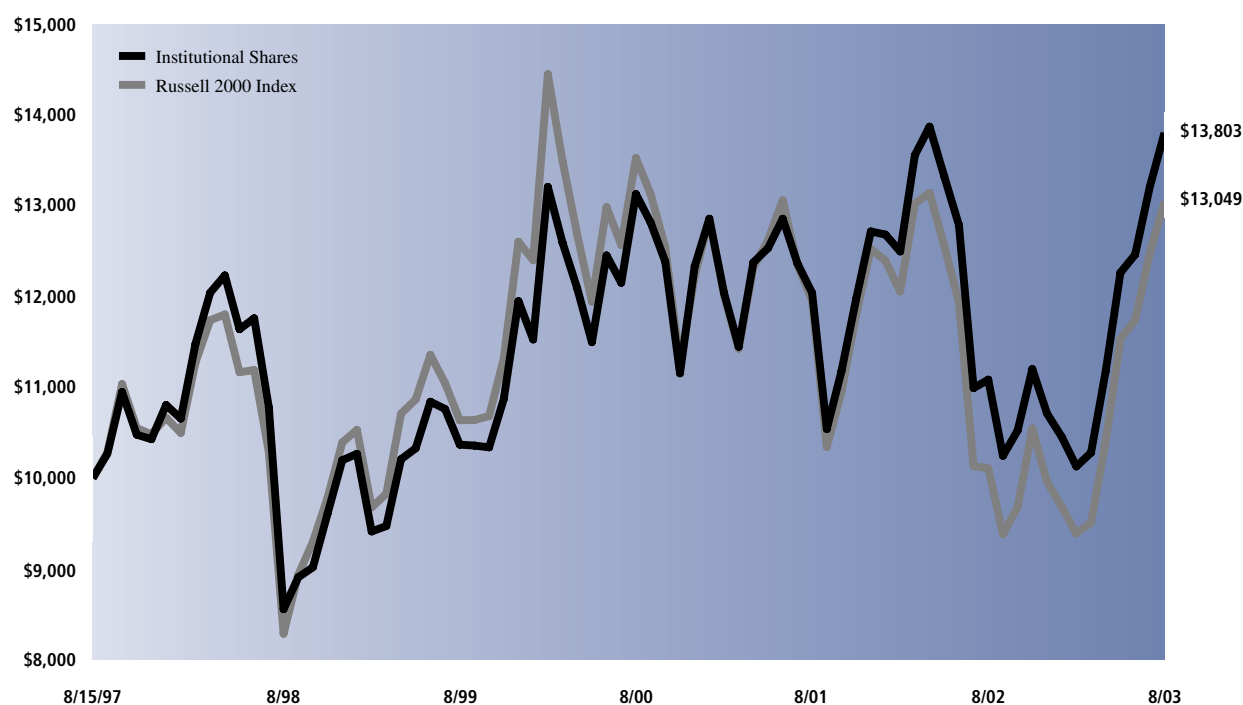
Performance Summary

August 31, 2003

The following graph shows the value, as of August 31, 2003, of a \$10,000 investment made on August 15, 1997 (commencement of operations) in Institutional Shares at NAV of the Goldman Sachs CORE Small Cap Equity Fund. For comparative purposes, the performance of the Fund's benchmark, the Russell 2000 Index (with dividends reinvested), is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class A, Class B, Class C and Service Shares will vary from Institutional Shares due to differences in fees and loads. In addition to the investment adviser's decisions regarding issuer/industry/country investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio.

CORE Small Cap Equity Fund's Lifetime Performance

Performance of a \$10,000 Investment, Distributions Reinvested August 15, 1997 to August 31, 2003.



Average Annual Total Return through August 31, 2003

| | Since Inception | Five Years | One Year |
|--|-----------------|------------|----------|
| Class A (commenced August 15, 1997) | | | |
| Excluding sales charges | 5.07% | 9.60% | 24.04% |
| Including sales charges | 4.10% | 8.38% | 17.27% |
| Class B (commenced August 15, 1997) | | | |
| Excluding contingent deferred sales charges | 4.29% | 8.77% | 23.03% |
| Including contingent deferred sales charges | 4.29% | 8.43% | 18.03% |
| Class C (commenced August 15, 1997) | | | |
| Excluding contingent deferred sales charges | 4.33% | 8.79% | 23.09% |
| Including contingent deferred sales charges | 4.33% | 8.79% | 22.09% |
| Institutional Class (commenced August 15, 1997) | 5.47% | 10.03% | 24.50% |
| Service Class (commenced August 15, 1997) | 4.98% | 9.48% | 23.87% |

Statement of Investments

August 31, 2003

| Shares | Description | Value |
|--------------------------------------|--|-------------------|
| Common Stocks – 96.1% | | |
| Airlines – 0.6% | | |
| 26,200 | AirTran Holdings, Inc.* | \$ 351,866 |
| 106,300 | America West Holdings Corp. Class B* | 903,550 |
| 23,300 | ExpressJet Holdings, Inc.* | 315,715 |
| | | <u>1,571,131</u> |
| Alcohol – 0.2% | | |
| 20,200 | The Robert Mondavi Corp.* | 555,500 |
| Apparel & Textiles – 0.8% | | |
| 9,800 | K-Swiss, Inc. | 389,452 |
| 30,000 | Kellwood Co. | 1,095,300 |
| 6,800 | Oxford Industries, Inc. | 405,280 |
| 43,900 | Skechers U.S.A., Inc.* | 335,835 |
| | | <u>2,225,867</u> |
| Banks – 6.3% | | |
| 6,890 | Associated Banc-Corp. | 262,991 |
| 26,300 | Bank of Hawaii Corp. | 891,570 |
| 18,500 | BankAtlantic Bancorp, Inc. | 274,170 |
| 15,200 | BankUnited Financial Corp.* | 330,448 |
| 123,991 | Brookline Bancorp, Inc. | 1,895,822 |
| 13,300 | Chittenden Corp. | 383,572 |
| 10,000 | City National Corp. | 517,000 |
| 53,700 | Commercial Federal Corp. | 1,331,760 |
| 8,300 | Corus Bankshares, Inc. | 429,940 |
| 14,300 | East West Bancorp, Inc. | 634,348 |
| 16,600 | First Charter Corp. | 306,602 |
| 6,900 | First Citizens BancShares, Inc. | 739,887 |
| 117,700 | First Niagara Financial Group, Inc. | 1,769,031 |
| 17,100 | Flushing Financial Corp. | 379,107 |
| 10,387 | Fulton Financial Corp. | 209,818 |
| 8,000 | Independence Community Bank Corp. | 264,400 |
| 7,300 | MB Financial, Inc. | 313,900 |
| 33,300 | PFF Bancorp, Inc. | 1,335,663 |
| 8,600 | Provident Financial Group, Inc. | 229,706 |
| 110,400 | Silicon Valley Bancshares* | 2,596,608 |
| 7,300 | Southwest Bancorporation of Texas, Inc. | 269,808 |
| 22,200 | Susquehanna Bancshares, Inc. | 585,192 |
| 44,400 | The South Financial Group, Inc. | 1,091,796 |
| 41,800 | United Community Financial Corp. | 397,100 |
| | | <u>17,440,239</u> |
| Biotechnology – 5.0% | | |
| 34,770 | Albany Molecular Research, Inc.* | 533,372 |
| 70,100 | Applera Corp. – Celera Genomics Group* | 713,618 |
| 14,300 | Connetics Corp.* | 267,982 |
| 47,900 | Corixa Corp.* | 380,805 |
| 20,400 | Digene Corp.* | 775,404 |
| 24,311 | Diversa Corp.* | 221,473 |
| 705 | Enzo Biochem, Inc.* | 12,549 |
| 20,900 | Gen-Probe, Inc.* | 1,321,716 |
| 70,200 | Gene Logic, Inc.* | 360,126 |

| Shares | Description | Value |
|------------------------------------|--|-------------------|
| Common Stocks – (continued) | | |
| Biotechnology – (continued) | | |
| 11,791 | Immucor, Inc.* | \$ 294,775 |
| 49,300 | Incyte Corp.* | 195,228 |
| 15,300 | Invitrogen Corp.* | 882,351 |
| 56,000 | Kos Pharmaceuticals, Inc.* | 2,111,200 |
| 20,000 | Ligand Pharmaceuticals, Inc. Class B* | 277,800 |
| 69,500 | Nektar Therapeutics* | 797,165 |
| 17,300 | NeoPharm, Inc.* | 243,065 |
| 30,200 | Neurocrine Biosciences, Inc.* | 1,616,002 |
| 44,100 | Protein Design Labs, Inc.* | 542,430 |
| 131,800 | Savient Pharmaceuticals, Inc.* | 579,920 |
| 38,440 | Serologicals Corp.* | 534,316 |
| 27,000 | Techne Corp.* | 905,580 |
| 23,300 | Vicuron Pharmaceuticals, Inc.* | 348,102 |
| | | <u>13,914,979</u> |
| Chemicals – 1.6% | | |
| 41,100 | A. Schulman, Inc. | 658,422 |
| 32,100 | Arch Chemicals, Inc. | 687,582 |
| 13,700 | Brady Corp. | 487,994 |
| 43,200 | Crompton Corp. | 255,312 |
| 4,700 | Minerals Technologies, Inc. | 237,585 |
| 53,400 | OM Group, Inc.* | 719,832 |
| 121,600 | PolyOne Corp. | 537,472 |
| 5,800 | Rogers Corp.* | 182,758 |
| 38,200 | The Goodyear Tire & Rubber Co.* | 271,984 |
| 40,600 | Wellman, Inc. | 328,860 |
| | | <u>4,367,801</u> |
| Clothing Stores – 1.3% | | |
| 131,200 | Charming Shoppes, Inc.* | 787,200 |
| 9,750 | Christopher & Banks Corp. | 289,575 |
| 26,900 | Stage Stores, Inc.* | 750,779 |
| 9,800 | The Cato Corp. | 232,750 |
| 14,500 | The Dress Barn, Inc.* | 187,050 |
| 45,800 | The Finish Line, Inc.* | 1,241,638 |
| 16,400 | The Gymboree Corp.* | 267,156 |
| | | <u>3,756,148</u> |
| Computer Hardware – 2.6% | | |
| 58,200 | Adaptec, Inc.* | 425,442 |
| 21,800 | Advanced Digital Information Corp.* | 294,300 |
| 27,000 | Avaya, Inc.* | 282,150 |
| 38,600 | Computer Network Technology Corp.* | 304,940 |
| 165,800 | Enterasys Networks, Inc.* | 956,666 |
| 61,200 | Gateway, Inc.* | 353,124 |
| 7,800 | Hutchinson Technology, Inc.* | 246,714 |
| 13,900 | Imagistics International, Inc.* | 397,540 |
| 23,600 | InFocus Corp.* | 122,248 |
| 23,600 | Iomega Corp.* | 273,288 |
| 26,400 | Komag, Inc.* | 381,480 |
| 4,600 | Kronos, Inc.* | 265,848 |
| 12,395 | Mercury Computer Systems, Inc.* | 272,690 |
| 9,000 | Metrologic Instruments, Inc.* | 362,430 |
| 16,800 | NCR Corp.* | 487,368 |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|--|--------------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Computer Hardware – (continued) | | |
| 7,200 | RadiSys Corp.* | \$ 127,800 |
| 51,000 | RSA Security, Inc.* | 616,080 |
| 11,300 | SBS Technologies, Inc.* | 131,080 |
| 11,300 | Stratasys, Inc.* | 455,842 |
| 47,698 | Western Digital Corp.* | 548,050 |
| | | <u>7,305,080</u> |
| Computer Software – 5.4% | | |
| 72,600 | Ascential Software Corp.* | 1,270,500 |
| 18,700 | Avid Technology, Inc.* | 928,455 |
| 8,200 | Cerner Corp.* | 289,542 |
| 48,000 | Compuware Corp.* | 285,600 |
| 44,800 | Concur Technologies, Inc.* | 497,280 |
| 12,100 | Digital River, Inc.* | 322,828 |
| 15,000 | Documentum, Inc.* | 307,800 |
| 28,400 | Eclipsys Corp.* | 427,420 |
| 11,500 | eResearch Technology, Inc.* | 366,390 |
| 53,100 | FileNET Corp.* | 1,119,879 |
| 12,500 | Hyperion Solutions Corp.* | 412,250 |
| 19,900 | IDX Systems Corp.* | 408,746 |
| 27,200 | Intergraph Corp.* | 647,088 |
| 51,500 | Legato Systems, Inc.* | 582,980 |
| 32,300 | Macrovision Corp.* | 601,426 |
| 50,100 | Mentor Graphics Corp.* | 1,014,525 |
| 59,800 | Micromuse, Inc.* | 489,164 |
| 30,200 | MSC Software Corp.* | 249,150 |
| 27,200 | NetIQ Corp.* | 366,112 |
| 35,200 | Pharmacopeia, Inc.* | 431,200 |
| 50,100 | ScanSoft, Inc.* | 220,440 |
| 46,200 | Sonus Networks, Inc.* | 328,020 |
| 69,900 | Sybase, Inc.* | 1,182,009 |
| 24,933 | Systems & Computer Technology Corp.* | 274,263 |
| 94,800 | Tradestation Group, Inc.* | 943,260 |
| 26,000 | Verint Systems, Inc.* | 588,640 |
| 47,500 | VitalWorks, Inc.* | 237,975 |
| 12,400 | Websense, Inc.* | 295,120 |
| | | <u>15,088,062</u> |
| Construction & Real Property – 1.6% | | |
| 36,300 | Acuity Brands, Inc. | 650,133 |
| 18,900 | LNR Property Corp. | 756,000 |
| 34,400 | M/I Schottenstein Homes, Inc. | 1,492,272 |
| 14,100 | NCI Building Systems, Inc.* | 270,720 |
| 56,600 | Quanta Services, Inc.* | 538,266 |
| 47,000 | USG Corp.* | 783,020 |
| | | <u>4,490,411</u> |
| Consumer Durables – 0.8% | | |
| 31,500 | Applica, Inc.* | 246,960 |
| 48,700 | Kimball International, Inc. Class B | 740,727 |
| 11,700 | Select Comfort Corp.* | 272,493 |
| 14,800 | The Toro Co. | 695,304 |
| 15,300 | Universal Electronics, Inc.* | 203,169 |
| | | <u>2,158,653</u> |

| Shares | Description | Value |
|---------------------------------------|---|------------------|
| Common Stocks – (continued) | | |
| Defense & Aerospace – 1.3% | | |
| 31,300 | AAR Corp.* | \$ 250,713 |
| 10,200 | Cubic Corp. | 268,974 |
| 17,700 | Curtiss-Wright Corp. | 1,203,600 |
| 35,800 | Kaman Corp. | 461,820 |
| 15,000 | Moog, Inc.* | 565,500 |
| 27,700 | Teledyne Technologies, Inc.* | 422,425 |
| 14,300 | Triumph Group, Inc.* | 451,594 |
| | | <u>3,624,626</u> |
| Department Store – 0.5% | | |
| 107,000 | ShopKo Stores, Inc.* | 1,473,390 |
| Drugs – 2.3% | | |
| 44,000 | Alpharma, Inc. | 922,680 |
| 5,700 | American Pharmaceutical Partners, Inc.* | 271,548 |
| 8,700 | Biosite, Inc.* | 403,680 |
| 24,100 | Bradley Pharmaceuticals, Inc.* | 626,600 |
| 12,900 | CIMA Labs, Inc.* | 348,171 |
| 25,300 | D & K Healthcare Resources, Inc. | 390,126 |
| 32,300 | Endo Pharmaceuticals Holdings, Inc.* | 547,485 |
| 9,900 | Hi-Tech Pharmacal Co., Inc.* | 249,480 |
| 18,300 | IDEXX Laboratories, Inc.* | 761,463 |
| 18,400 | Lannett Co., Inc.* | 334,880 |
| 69,700 | Perrigo Co. | 979,285 |
| 18,400 | USANA Health Sciences, Inc.* | 670,128 |
| | | <u>6,505,526</u> |
| Electric Utility – 1.4% | | |
| 106,000 | Allegheny Energy, Inc.* | 982,620 |
| 78,100 | Avista Corp. | 1,216,017 |
| 64,900 | Northeast Utilities | 1,120,823 |
| 17,900 | PNM Resources, Inc. | 490,460 |
| | | <u>3,809,920</u> |
| Electronic Equipment – 6.0% | | |
| 14,200 | Analogic Corp. | 725,762 |
| 21,400 | Anaren Microwave, Inc.* | 256,586 |
| 100,140 | Andrew Corp.* | 1,239,733 |
| 90,000 | Anixter International, Inc.* | 2,045,700 |
| 82,000 | Audiovox Corp.* | 1,123,400 |
| 55,500 | Centillum Communications, Inc.* | 533,355 |
| 21,900 | Coherent, Inc.* | 573,780 |
| 23,300 | CommScope, Inc.* | 239,524 |
| 25,950 | Comtech Telecommunications Corp.* | 630,845 |
| 12,500 | DSP Group, Inc.* | 340,250 |
| 95,200 | GlobespanVirata, Inc.* | 724,472 |
| 8,000 | Harris Corp. | 265,600 |
| 12,600 | II-VI, Inc.* | 311,598 |
| 16,900 | Inter-Tel, Inc. | 425,880 |
| 14,800 | Intermagetics General Corp.* | 359,936 |
| 800 | Littelfuse, Inc.* | 20,200 |
| 58,400 | McDATA Corp.* | 592,760 |
| 45,700 | Methode Electronics, Inc. | 548,400 |
| 9,355 | Netro Corp.* | 28,065 |

| Shares | Description | Value |
|---|---|-------------------|
| Common Stocks – (continued) | | |
| Electronic Equipment – (continued) | | |
| 17,400 | PerkinElmer, Inc. | \$ 287,796 |
| 121,300 | Pioneer-Standard Electronics, Inc. | 1,175,397 |
| 40,000 | Plantronics, Inc.* | 1,010,800 |
| 44,900 | Remec, Inc.* | 406,794 |
| 63,100 | Sanmina-SCI Corp.* | 566,638 |
| 24,400 | Scientific-Atlanta, Inc. | 829,600 |
| 17,900 | Tekelec* | 312,892 |
| 400 | Turnstone Systems, Inc.* | 1,124 |
| 7,950 | Varian, Inc.* | 270,300 |
| 10,200 | Vicor Corp.* | 124,950 |
| 68,300 | Westell Technologies, Inc.* | 547,766 |
| 8,800 | Zygo Corp.* | 102,520 |
| | | <u>16,622,423</u> |
| Energy Reserves – 1.6% | | |
| 86,200 | Comstock Resources, Inc.* | 1,280,070 |
| 20,900 | Patina Oil & Gas Corp. | 774,345 |
| 12,400 | Spinnaker Exploration Co.* | 275,528 |
| 10,000 | St. Mary Land & Exploration Co. | 283,000 |
| 24,200 | Stone Energy Corp.* | 936,540 |
| 9,800 | The Houston Exploration Co.* | 336,042 |
| 49,600 | Vintage Petroleum, Inc. | 554,528 |
| | | <u>4,440,053</u> |
| Entertainment – 1.0% | | |
| 30,400 | AMC Entertainment, Inc.* | 354,160 |
| 72,200 | Handleman Co.* | 1,301,044 |
| 28,000 | Regal Entertainment Group | 539,000 |
| 51,600 | Six Flags, Inc.* | 276,060 |
| 34,500 | World Wrestling Entertainment, Inc. | 348,450 |
| | | <u>2,818,714</u> |
| Environmental Services – 0.1% | | |
| 22,292 | Casella Waste Systems, Inc.* | 270,848 |
| Equity REIT – 5.0% | | |
| 71,300 | Anthraxite Capital, Inc. | 776,457 |
| 45,200 | Apex Mortgage Capital, Inc. | 231,876 |
| 39,100 | Bedford Property Investors, Inc. | 1,024,420 |
| 44,500 | Boykin Lodging Co. | 347,100 |
| 24,100 | Brandywine Realty Trust | 589,245 |
| 31,250 | Capstead Mortgage Corp. | 388,125 |
| 14,600 | Commercial Net Lease Realty, Inc. | 245,718 |
| 9,800 | EastGroup Properties, Inc. | 267,540 |
| 34,200 | FelCor Lodging Trust, Inc. | 329,688 |
| 8,500 | First Industrial Realty Trust, Inc. | 258,825 |
| 64,300 | Glenborough Realty Trust, Inc. | 1,179,905 |
| 16,000 | Healthcare Realty Trust, Inc. | 506,560 |
| 294,700 | HRPT Properties Trust | 2,672,929 |
| 151,800 | La Quinta Corp.* | 825,792 |
| 8,400 | Mid-America Apartment Communities, Inc. | 246,876 |
| 26,900 | National Health Investors, Inc. | 547,146 |
| 33,500 | Novastar Financial, Inc. | 1,817,375 |
| 6,100 | Pan Pacific Retail Properties, Inc. | 256,810 |
| 5,900 | Parkway Properties, Inc. | 264,615 |

| Shares | Description | Value |
|--|---|-------------------|
| Common Stocks – (continued) | | |
| Equity REIT – (continued) | | |
| 19,700 | PS Business Parks, Inc. | \$ 748,600 |
| 18,700 | Senior Housing Properties Trust | 259,743 |
| 19,500 | Trizec Properties, Inc. | 233,025 |
| | | <u>14,018,370</u> |
| Financial Services – 0.9% | | |
| 66,900 | AmeriCredit Corp.* | 717,837 |
| 27,300 | Credit Acceptance Corp.* | 322,959 |
| 58,900 | Fremont General Corp. | 758,632 |
| 39,900 | Metris Cos., Inc. | 130,074 |
| 25,627 | NCO Group, Inc.* | 543,549 |
| | | <u>2,473,051</u> |
| Food & Beverages – 1.2% | | |
| 38,100 | Chiquita Brands International, Inc.* | 689,991 |
| 33,950 | Flowers Foods, Inc. | 718,721 |
| 26,200 | Interstate Bakeries Corp. | 348,460 |
| 61,400 | Pilgrim's Pride Corp. | 792,674 |
| 16,730 | Ralcorp Holdings, Inc.* | 475,467 |
| 8,500 | United Natural Foods, Inc.* | 252,875 |
| | | <u>3,278,188</u> |
| Forestry and Paper – 2.3% | | |
| 41,300 | Chesapeake Corp. | 982,940 |
| 30,100 | Longview Fibre Co. | 295,883 |
| 21,300 | Louisiana-Pacific Corp.* | 280,095 |
| 15,200 | Pope & Talbot, Inc. | 195,320 |
| 10,300 | Schweitzer-Mauduit International, Inc. | 248,745 |
| 24,200 | Trex Co., Inc.* | 876,040 |
| 85,800 | United Stationers, Inc.* | 3,486,912 |
| | | <u>6,365,935</u> |
| Gold – 0.1% | | |
| 10,600 | Royal Gold, Inc. | 259,382 |
| Grocery Stores – 1.0% | | |
| 29,300 | Ingles Markets, Inc. | 283,888 |
| 74,900 | Pathmark Stores, Inc.* | 655,375 |
| 58,400 | Ruddick Corp. | 968,856 |
| 94,000 | The Great Atlantic & Pacific Tea Co., Inc.* | 899,580 |
| | | <u>2,807,699</u> |
| Heavy Electrical Equipment – 0.9% | | |
| 25,950 | A.O. Smith Corp. | 931,605 |
| 15,400 | Belden, Inc. | 282,436 |
| 67,450 | Cable Design Technologies Corp.* | 505,875 |
| 21,100 | Rofin-Sinar Technologies, Inc.* | 439,513 |
| 5,300 | Woodward Governor Co. | 259,064 |
| | | <u>2,418,493</u> |
| Heavy Machinery – 1.0% | | |
| 24,200 | NACCO Industries, Inc. | 1,880,340 |
| 36,800 | Terex Corp.* | 850,080 |
| | | <u>2,730,420</u> |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|------------------------------------|--|------------------|
| Common Stocks – (continued) | | |
| Home Products – 0.4% | | |
| 5,400 | Lancaster Colony Corp. | \$ 214,758 |
| 58,800 | Nu Skin Enterprises, Inc. | 664,440 |
| 18,400 | Tupperware Corp. | 300,472 |
| | | <u>1,179,670</u> |
| Hotels – 0.5% | | |
| 14,800 | Aztar Corp.* | 255,300 |
| 15,800 | Choice Hotels International, Inc.* | 513,500 |
| 12,000 | Penn National Gaming, Inc.* | 265,800 |
| 59,900 | Pinnacle Entertainment, Inc.* | 367,786 |
| | | <u>1,402,386</u> |
| Industrial Parts – 3.5% | | |
| 18,800 | Applied Films Corp.* | 588,440 |
| 37,500 | Aviall, Inc.* | 476,250 |
| 38,000 | Briggs & Stratton Corp. | 2,234,400 |
| 17,500 | Engineered Support Systems, Inc. | 1,026,550 |
| 25,000 | Hughes Supply, Inc. | 887,500 |
| 74,400 | Lennox International, Inc. | 1,202,304 |
| 8,200 | SPS Technologies, Inc.* | 369,246 |
| 26,100 | The Shaw Group, Inc.* | 231,246 |
| 81,900 | Watsco, Inc. | 1,515,150 |
| 14,200 | Watts Industries, Inc. | 260,712 |
| 25,500 | York International Corp. | 823,140 |
| | | <u>9,614,938</u> |
| Industrial Services – 2.0% | | |
| 19,050 | Aaron Rents, Inc. | 399,669 |
| 77,000 | Copart, Inc.* | 773,080 |
| 17,200 | Dollar Thrifty Automotive Group, Inc.* | 408,500 |
| 52,200 | Gentiva Health Services, Inc.* | 552,276 |
| 13,400 | ITT Educational Services, Inc.* | 580,890 |
| 151,400 | MPS Group, Inc.* | 1,445,870 |
| 26,200 | Rollins, Inc. | 469,766 |
| 5,600 | Roto-Rooter, Inc. | 215,768 |
| 111,600 | Spherion Corp.* | 775,620 |
| | | <u>5,621,439</u> |
| Information Services – 3.9% | | |
| 22,600 | ADVO, Inc.* | 997,790 |
| 39,800 | American Management Systems, Inc.* | 571,130 |
| 41,200 | Arbitron, Inc.* | 1,523,576 |
| 22,000 | Convergys Corp.* | 396,000 |
| 48,900 | CSG Systems International, Inc.* | 758,928 |
| 16,400 | Digital Insight Corp.* | 392,780 |
| 31,000 | eFunds Corp.* | 395,870 |
| 14,300 | FactSet Research Systems, Inc. | 694,265 |
| 12,400 | FindWhat.com* | 270,320 |
| 15,200 | Gevity HR, Inc. | 238,184 |
| 30,800 | Group 1 Software, Inc.* | 527,912 |
| 16,200 | infoUSA, Inc.* | 151,146 |
| 57,000 | Keane, Inc.* | 839,610 |
| 19,700 | MICROS Systems, Inc.* | 720,429 |
| 54,500 | Pre-Paid Legal Services, Inc.* | 1,221,890 |
| 16,300 | The Advisory Board Co.* | 694,380 |

| Shares | Description | Value |
|---|-----------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Information Services – (continued) | | |
| 13,500 | West Corp.* | \$ 334,800 |
| | | <u>10,729,010</u> |
| Internet – 2.6% | | |
| 31,300 | aQuantive, Inc.* | 336,162 |
| 27,900 | Ask Jeeves, Inc.* | 508,059 |
| 86,600 | EarthLink, Inc.* | 657,294 |
| 27,200 | eCollege.com* | 374,000 |
| 13,900 | eSPEED, Inc.* | 316,920 |
| 36,800 | InfoSpace, Inc.* | 581,440 |
| 14,600 | j2 Global Communications, Inc.* | 915,712 |
| 31,700 | Packeteer, Inc.* | 470,111 |
| 17,416 | Priceline.com, Inc.* | 687,758 |
| 125,000 | Safeguard Scientifics, Inc.* | 326,250 |
| 8,100 | Sohu. com, Inc.* | 243,162 |
| 22,400 | United Online, Inc.* | 853,664 |
| 32,000 | ValueClick, Inc.* | 296,000 |
| 18,500 | Verity, Inc.* | 220,520 |
| 38,800 | webMethods, Inc.* | 349,976 |
| | | <u>7,137,028</u> |
| Leisure – 1.0% | | |
| 17,700 | Callaway Golf Co. | 266,031 |
| 43,300 | K2, Inc.* | 774,637 |
| 33,500 | Lexar Media, Inc.* | 558,780 |
| 23,600 | Shuffle Master, Inc.* | 683,456 |
| 22,900 | The Nautilus Group, Inc. | 267,930 |
| 14,600 | WMS Industries, Inc.* | 349,670 |
| | | <u>2,900,504</u> |
| Life/Health Insurance – 1.1% | | |
| 10,400 | AmerUs Group Co. | 335,192 |
| 8,578 | Delphi Financial Group, Inc. | 412,258 |
| 15,381 | FBL Financial Group, Inc. | 373,143 |
| 8,875 | Protective Life Corp. | 258,174 |
| 38,750 | The MONY Group, Inc. | 1,086,550 |
| 43,400 | UICI* | 542,500 |
| | | <u>3,007,817</u> |
| Media – 1.1% | | |
| 31,100 | Cox Radio, Inc.* | 750,754 |
| 54,300 | Hearst-Argyle Television, Inc.* | 1,317,318 |
| 45,300 | Insight Communications Co., Inc.* | 522,762 |
| 11,300 | Lin TV Corp.* | 264,420 |
| 26,900 | Sinclair Broadcast Group, Inc.* | 299,397 |
| | | <u>3,154,651</u> |
| Medical Products – 2.7% | | |
| 17,200 | Bio-Rad Laboratories, Inc.* | 879,780 |
| 15,200 | Cantel Medical Corp.* | 193,040 |
| 12,600 | CONMED Corp.* | 268,002 |
| 21,200 | Cytoc Corp.* | 277,296 |
| 37,100 | Dade Behring Holdings, Inc.* | 1,035,090 |
| 9,800 | Mentor Corp. | 226,478 |
| 17,600 | Molecular Devices Corp.* | 341,440 |
| 10,600 | Ocular Sciences, Inc.* | 239,666 |
| 82,000 | Owens & Minor, Inc. | 1,910,600 |

| Shares | Description | Value |
|---|--|------------------|
| Common Stocks – (continued) | | |
| Medical Products – (continued) | | |
| 9,200 | PolyMedica Corp. | \$ 414,184 |
| 72,500 | PSS World Medical, Inc.* | 672,800 |
| 21,800 | Sola International, Inc.* | 372,780 |
| 20,400 | Thoratec Corp.* | 306,204 |
| 12,500 | VISX, Inc.* | 250,250 |
| | | <u>7,387,610</u> |
| Medical Services – 1.1% | | |
| 21,100 | American Medical Security Group, Inc.* | 426,220 |
| 12,300 | AMERIGROUP Corp.* | 500,856 |
| 15,300 | Kindred Healthcare, Inc.* | 501,075 |
| 17,300 | Oxford Health Plans, Inc.* | 627,125 |
| 95,900 | Service Corp. International* | 383,600 |
| 88,200 | Stewart Enterprises, Inc.* | 363,384 |
| 43,600 | US Oncology, Inc.* | 346,620 |
| | | <u>3,148,880</u> |
| Mining & Metals – 1.4% | | |
| 34,100 | Allegheny Technologies, Inc. | 254,045 |
| 15,800 | Arch Coal, Inc. | 362,610 |
| 53,500 | Commercial Metals Co. | 1,058,230 |
| 26,300 | Massey Energy Co. | 332,695 |
| 17,700 | Maverick Tube Corp.* | 300,723 |
| 10,400 | Peabody Energy Corp. | 329,160 |
| 18,100 | Reliance Steel & Aluminum Corp. | 417,567 |
| 129,900 | USEC, Inc. | 932,682 |
| | | <u>3,987,712</u> |
| Motor Vehicles & Parts – 0.4% | | |
| 14,200 | ArvinMeritor, Inc. | 267,244 |
| 8,200 | Thor Industries, Inc. | 444,358 |
| 40,900 | Visteon Corp. | 276,075 |
| | | <u>987,677</u> |
| Oil Refining – 1.5% | | |
| 14,000 | Holly Corp. | 344,120 |
| 66,400 | Sunoco, Inc. | 2,697,832 |
| 113,700 | Tesoro Petroleum Corp.* | 1,016,478 |
| | | <u>4,058,430</u> |
| Oil Services – 1.3% | | |
| 13,000 | Dril-Quip, Inc.* | 244,010 |
| 53,500 | Global Industries Ltd.* | 258,940 |
| 14,800 | HydriL Co.* | 346,320 |
| 32,000 | Oceaneering International, Inc.* | 786,560 |
| 46,800 | Universal Compression Holdings, Inc.* | 1,077,336 |
| 113,900 | Veritas DGC, Inc.* | 1,041,046 |
| | | <u>3,754,212</u> |
| Property/Casualty Insurance – 1.8% | | |
| 11,600 | Argonaut Group, Inc. | 157,760 |
| 58,400 | LandAmerica Financial Group, Inc. | 2,680,560 |

| Shares | Description | Value |
|--|-------------------------------------|------------------|
| Common Stocks – (continued) | | |
| Property/Casualty Insurance – (continued) | | |
| 17,400 | Ohio Casualty Corp.* | \$ 240,120 |
| 19,267 | Selective Insurance Group, Inc. | 566,835 |
| 48,200 | Stewart Information Services Corp.* | 1,410,332 |
| | | <u>5,055,607</u> |
| Publishing – 2.2% | | |
| 43,900 | American Greetings Corp.* | 812,150 |
| 21,600 | Banta Corp. | 750,168 |
| 18,900 | Deluxe Corp. | 807,030 |
| 32,055 | John H. Harland Co. | 807,465 |
| 41,100 | Pulitzer, Inc. | 2,110,485 |
| 31,000 | The Standard Register Co. | 553,350 |
| 21,700 | The Topps Co., Inc. | 193,998 |
| | | <u>6,034,646</u> |
| Railroads – 0.1% | | |
| 11,400 | Trinity Industries, Inc. | 300,048 |
| Restaurants – 1.6% | | |
| 9,200 | Bob Evans Farms, Inc. | 248,676 |
| 19,600 | CBRL Group, Inc. | 683,648 |
| 28,100 | CEC Entertainment, Inc.* | 1,102,082 |
| 28,588 | Lone Star Steakhouse & Saloon, Inc. | 619,216 |
| 10,100 | P. F. Chang's China Bistro, Inc.* | 469,650 |
| 40,700 | Papa John's International, Inc.* | 1,025,640 |
| 21,700 | Ryan's Family Steak Houses, Inc.* | 290,346 |
| | | <u>4,439,258</u> |
| Securities & Asset Management – 1.5% | | |
| 24,200 | BlackRock, Inc. | 1,100,374 |
| 51,900 | Knight Trading Group, Inc.* | 481,113 |
| 52,000 | Nuveen Investments | 1,355,640 |
| 32,200 | R&G Financial Corp. Class B | 959,560 |
| 18,200 | SWS Group, Inc. | 343,980 |
| | | <u>4,240,667</u> |
| Semiconductors – 3.2% | | |
| 35,000 | Advanced Micro Devices, Inc.* | 395,150 |
| 12,670 | Arrow Electronics, Inc.* | 261,509 |
| 64,399 | Avnet, Inc.* | 1,162,402 |
| 24,600 | Cohu, Inc. | 543,660 |
| 71,800 | Conexant Systems, Inc.* | 393,464 |
| 34,800 | Entegris, Inc.* | 512,256 |
| 40,300 | Genesis Microchip, Inc.* | 490,048 |
| 16,292 | InterDigital Communications Corp.* | 289,183 |
| 23,000 | MEMC Electronic Materials, Inc.* | 298,540 |
| 22,400 | Micrel, Inc.* | 304,640 |
| 37,900 | Pixelworks, Inc.* | 358,913 |
| 8,700 | SanDisk Corp.* | 526,002 |
| 59,600 | Sigma Designs, Inc.* | 547,724 |
| 53,500 | Silicon Storage Technology, Inc.* | 451,005 |
| 107,300 | Skyworks Solutions Inc.* | 1,216,782 |
| 30,200 | Vishay Intertechnology, Inc.* | 497,394 |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|-------------------------------------|--|-------------------|
| Common Stocks – (continued) | | |
| Semiconductors – (continued) | | |
| 40,100 | Vitesse Semiconductor Corp.* | \$ 273,883 |
| 15,100 | Zoran Corp.* | 376,896 |
| | | <u>8,899,451</u> |
| Specialty Retail – 3.9% | | |
| 14,100 | 1-800-FLOWERS.COM, Inc.* | 133,668 |
| 13,600 | Blockbuster, Inc. | 278,664 |
| 46,780 | Brown Shoe Co. | 1,450,180 |
| 28,200 | Circuit City Stores, Inc. | 294,126 |
| 8,500 | Claire's Stores, Inc. | 293,675 |
| 17,800 | GameStop Corp.* | 296,014 |
| 8,200 | Group 1 Automotive, Inc.* | 308,730 |
| 28,200 | Insight Enterprises, Inc.* | 507,036 |
| 38,700 | Longs Drug Stores Corp. | 886,230 |
| 37,500 | Movie Gallery, Inc.* | 802,875 |
| 24,100 | MSC Industrial Direct Co., Inc. | 524,898 |
| 76,200 | OfficeMax, Inc.* | 708,660 |
| 19,900 | PETCO Animal Supplies, Inc.* | 638,790 |
| 41,400 | Sonic Automotive, Inc.* | 1,138,500 |
| 49,300 | The Bombay Company, Inc.* | 487,577 |
| 20,757 | The Sports Authority, Inc.* | 672,111 |
| 29,500 | Ultimate Electronics, Inc.* | 378,485 |
| 28,900 | United Auto Group, Inc.* | 739,840 |
| 5,400 | Zale Corp.* | 275,130 |
| | | <u>10,815,189</u> |
| Telephone – 1.2% | | |
| 90,400 | Cincinnati Bell, Inc.* | 510,760 |
| 96,000 | IDT Corp.* | 1,681,920 |
| 43,600 | Primus Telecommunications Group, Inc.* | 333,976 |
| 25,700 | TALK America Holdings, Inc.* | 330,502 |
| 82,400 | Time Warner Telecom, Inc.* | 481,216 |
| | | <u>3,338,374</u> |
| Thriffs – 1.5% | | |
| 12,000 | Citizens First Bancorp, Inc. | 251,400 |
| 8,200 | Dime Community Bancshares | 195,160 |
| 16,700 | FirstFed Financial Corp.* | 662,990 |
| 83,700 | Flagstar Bancorp, Inc. | 1,634,661 |
| 9,300 | IBERIABANK Corp. | 446,400 |
| 10,100 | Oriental Financial Group, Inc. | 255,025 |
| 19,600 | Sound Federal Bancorp, Inc. | 306,152 |
| 21,900 | Staten Island Bancorp, Inc. | 455,082 |
| | | <u>4,206,870</u> |
| Tobacco – 0.4% | | |
| 84,300 | DIMON, Inc. | 581,670 |
| 12,200 | R.J. Reynolds Tobacco Holdings, Inc. | 416,630 |
| | | <u>998,300</u> |
| Truck/Sea/Air Freight – 1.0% | | |
| 38,800 | EGL, Inc.* | 687,536 |

| Shares | Description | Value |
|--|------------------------------------|----------------------|
| Common Stocks – (continued) | | |
| Truck/Sea/Air Freight – (continued) | | |
| 18,000 | Landstar System, Inc.* | \$ 1,110,780 |
| 16,000 | Overseas Shipholding Group, Inc. | 414,560 |
| 6,000 | Roadway Corp. | 280,500 |
| 8,400 | USF Corp. | 267,540 |
| | | <u>2,760,916</u> |
| Wireless Telecommunications – 0.4% | | |
| 14,972 | Boston Communications Group, Inc.* | 201,373 |
| 23,900 | United States Cellular Corp.* | 668,244 |
| 23,700 | Wireless Facilities, Inc.* | 326,112 |
| | | <u>1,195,729</u> |
| TOTAL COMMON STOCKS | | |
| (Cost \$229,779,654) | | <u>\$267,147,928</u> |

| Principal Amount | Interest Rate | Maturity Date | Value |
|---|---------------|---------------|----------------------|
| Repurchase Agreement – 3.2% | | | |
| Joint Repurchase Agreement Account II [^] | | | |
| \$8,900,000 | 1.07% | 09/02/2003 | \$ 8,900,000 |
| Maturity Value: \$8,901,056 | | | |
| TOTAL REPURCHASE AGREEMENT | | | |
| (Cost \$8,900,000) | | | <u>\$ 8,900,000</u> |
| TOTAL INVESTMENTS BEFORE SECURITIES LENDING COLLATERAL | | | |
| (Cost \$238,679,654) | | | <u>\$276,047,928</u> |

| Shares | Description | Value |
|---|---|----------------------|
| Securities Lending Collateral – 5.6% | | |
| 15,610,201 | Boston Global Investment Trust – Enhanced Portfolio | \$ 15,610,201 |
| TOTAL SECURITIES LENDING COLLATERAL | | |
| (Cost \$15,610,201) | | <u>\$ 15,610,201</u> |
| TOTAL INVESTMENTS | | |
| (Cost \$254,289,855) | | <u>\$291,658,129</u> |

* Non-income producing security.

[^] Joint repurchase agreement was entered into on August 29, 2003.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

Investment Abbreviations:

REIT—Real Estate Investment Trust

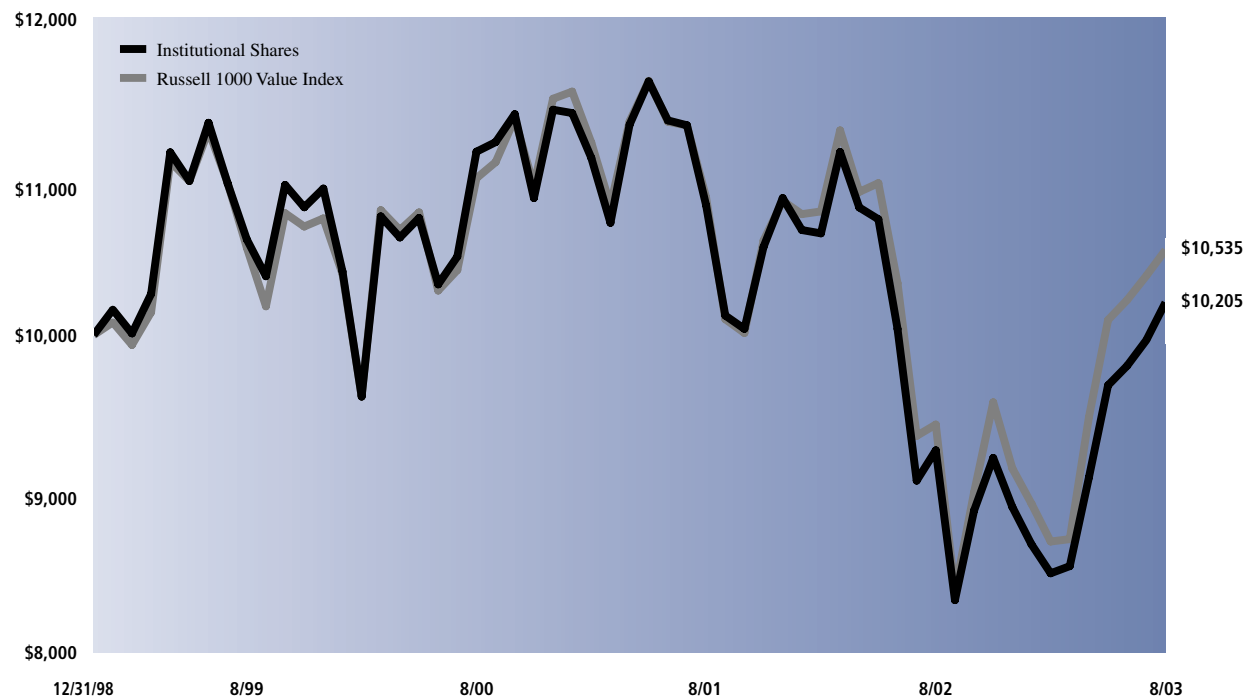
Performance Summary

August 31, 2003

The following graph shows the value, as of August 31, 2003, of a \$10,000 investment made on December 31, 1998 (commencement of operations) in Institutional Shares at NAV of the Goldman Sachs CORE Large Cap Value Fund. For comparative purposes, the performance of the Fund's benchmark, the Russell 1000 Value Index (with dividends reinvested), is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class A, Class B, Class C and Service Shares will vary from Institutional Shares due to differences in fees and loads. In addition to the investment adviser's decisions regarding issuer/industry/country investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio.

CORE Large Cap Value Fund's Lifetime Performance

Performance of a \$10,000 Investment, Distributions Reinvested December 31, 1998 to August 31, 2003.



Average Annual Total Return through August 31, 2003

| | Since Inception | One Year |
|--|-----------------|----------|
| Class A (commenced December 31, 1998) | | |
| Excluding sales charges | 0.08% | 9.70% |
| Including sales charges | -1.12% | 3.65% |
| Class B (commenced December 31, 1998) | | |
| Excluding contingent deferred sales charges | -0.70% | 8.83% |
| Including contingent deferred sales charges | -1.13% | 3.81% |
| Class C (commenced December 31, 1998) | | |
| Excluding contingent deferred sales charges | -0.66% | 8.95% |
| Including contingent deferred sales charges | -0.66% | 7.95% |
| Institutional Class (commenced December 31, 1998) | 0.44% | 10.03% |
| Service Class (commenced December 31, 1998) | -0.03% | 9.58% |

Statement of Investments

August 31, 2003

| Shares | Description | Value |
|---------------------------------|--|------------|
| Common Stocks – 98.6% | | |
| Airlines – 0.1% | | |
| 13,900 | Southwest Airlines Co. | \$ 237,551 |
| Banks – 17.8% | | |
| 85,400 | Bank of America Corp. | 6,767,950 |
| 32,400 | Bank of Hawaii Corp. | 1,098,360 |
| 37,200 | Charter One Financial, Inc. | 1,153,200 |
| 214,900 | Citigroup, Inc. | 9,315,915 |
| 23,500 | FleetBoston Financial Corp. | 695,365 |
| 13,900 | Hudson City Bancorp, Inc. | 402,266 |
| 141,900 | J.P. Morgan Chase & Co. | 4,855,818 |
| 76,200 | National City Corp. | 2,414,016 |
| 21,400 | PNC Financial Services Group | 1,018,640 |
| 37,300 | Regions Financial Corp. | 1,315,198 |
| 12,200 | Silicon Valley Bancshares* | 286,944 |
| 77,800 | SouthTrust Corp. | 2,255,422 |
| 41,100 | SunTrust Banks, Inc. | 2,512,443 |
| 7,700 | U.S. Bancorp | 184,030 |
| 21,550 | Union Planters Corp. | 687,445 |
| 11,900 | UnionBanCal Corp. | 558,705 |
| 123,800 | Wachovia Corp. | 5,218,170 |
| 102,000 | Wells Fargo & Co. | 5,114,280 |
| | | 45,854,167 |
| Biotechnology – 1.4% | | |
| 22,900 | Applera Corp. – Applied Biosystems Group | 498,304 |
| 3,400 | Genentech, Inc.* | 269,960 |
| 4,800 | Genzyme Corp.* | 226,320 |
| 28,600 | Gilead Sciences, Inc.* | 1,907,620 |
| 9,200 | Invitrogen Corp.* | 530,564 |
| 5,200 | MedImmune, Inc.* | 181,324 |
| | | 3,614,092 |
| Chemicals – 3.1% | | |
| 7,200 | 3M Co. | 1,025,784 |
| 11,100 | A. Schulman, Inc. | 177,822 |
| 10,500 | Cabot Corp. | 285,495 |
| 124,200 | Monsanto Co. | 3,193,182 |
| 19,300 | RPM International, Inc. | 263,252 |
| 7,400 | Sealed Air Corp.* | 360,084 |
| 72,600 | The Dow Chemical Co. | 2,506,878 |
| 5,800 | The Lubrizol Corp. | 197,200 |
| | | 8,009,697 |
| Clothing Stores – 0.1% | | |
| 4,500 | Coach, Inc.* | 261,180 |
| Computer Hardware – 2.6% | | |
| 40,000 | Apple Computer, Inc.* | 905,200 |
| 279,319 | Hewlett-Packard Co. | 5,564,035 |
| 19,000 | Ingram Micro, Inc.* | 268,850 |
| | | 6,738,085 |

| Shares | Description | Value |
|--|---|------------|
| Common Stocks – (continued) | | |
| Computer Software – 1.7% | | |
| 18,600 | BMC Software, Inc.* | \$ 273,048 |
| 33,800 | Citrix Systems, Inc.* | 695,942 |
| 67,900 | Computer Associates International, Inc. | 1,740,277 |
| 12,600 | International Business Machines Corp. | 1,033,326 |
| 8,100 | Synopsys, Inc.* | 552,501 |
| | | 4,295,094 |
| Construction & Real Property – 0.3% | | |
| 1,500 | NVR, Inc.* | 650,250 |
| Defense & Aerospace – 0.4% | | |
| 2,700 | Northrop Grumman Corp. | 257,796 |
| 26,600 | Rockwell Collins, Inc. | 719,530 |
| | | 977,326 |
| Department Stores – 1.9% | | |
| 6,900 | Family Dollar Stores, Inc. | 276,828 |
| 149,100 | J. C. Penney Co., Inc. (Holding Co.) | 3,163,902 |
| 49,400 | Saks, Inc.* | 621,946 |
| 15,500 | Wal-Mart Stores, Inc. | 917,135 |
| | | 4,979,811 |
| Drugs – 1.4% | | |
| 5,300 | American Pharmaceutical Partners, Inc.* | 252,492 |
| 15,500 | Endo Pharmaceuticals Holdings, Inc.* | 262,725 |
| 9,500 | Forest Laboratories, Inc.* | 446,500 |
| 46,800 | McKesson Corp. | 1,532,232 |
| 22,000 | Merck & Co., Inc. | 1,107,040 |
| | | 3,600,989 |
| Electric Utility – 4.3% | | |
| 121,200 | Allegheny Energy, Inc.* | 1,123,524 |
| 26,100 | Constellation Energy Group, Inc. | 949,779 |
| 149,800 | Edison International* | 2,825,228 |
| 38,100 | Energy East Corp. | 822,579 |
| 56,100 | Entergy Corp. | 2,942,445 |
| 15,100 | Exelon Corp. | 889,390 |
| 3,700 | FPL Group, Inc. | 228,882 |
| 25,200 | Northeast Utilities | 435,204 |
| 11,500 | Puget Energy, Inc. | 250,700 |
| 20,200 | Wisconsin Energy Corp. | 588,628 |
| | | 11,056,359 |
| Electronic Equipment – 0.8% | | |
| 11,000 | Fisher Scientific International, Inc.* | 431,420 |
| 12,900 | Plantronics, Inc.* | 325,983 |
| 6,500 | QUALCOMM, Inc. | 268,320 |
| 29,200 | Scientific-Atlanta, Inc. | 992,800 |
| | | 2,018,523 |

| Shares | Description | Value |
|---|--------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Energy Reserves – 8.4% | | |
| 25,400 | Amerada Hess Corp. | \$ 1,197,610 |
| 61,400 | Burlington Resources, Inc. | 2,972,988 |
| 57,500 | Devon Energy Corp. | 2,975,625 |
| 314,560 | Exxon Mobil Corp. | 11,858,912 |
| 72,100 | Occidental Petroleum Corp. | 2,475,193 |
| | | <u>21,480,328</u> |
| Entertainment – 1.8% | | |
| 102,900 | Viacom, Inc. Class B | 4,630,500 |
| Environmental Services – 0.6% | | |
| 45,600 | Republic Services, Inc. | 1,122,672 |
| 12,500 | Waste Management, Inc. | 332,625 |
| | | <u>1,455,297</u> |
| Equity REIT – 2.6% | | |
| 104,100 | Equity Office Properties Trust | 2,896,062 |
| 33,800 | HRPT Properties Trust | 306,566 |
| 19,300 | Kimco Realty Corp. | 804,424 |
| 31,000 | Mack-Cali Realty Corp. | 1,140,800 |
| 31,600 | Public Storage, Inc. | 1,165,724 |
| 9,200 | Regency Centers Corp. | 324,576 |
| | | <u>6,638,152</u> |
| Financial Services – 1.7% | | |
| 39,300 | AmeriCredit Corp.* | 421,689 |
| 35,400 | Countrywide Financial Corp. | 2,401,890 |
| 33,500 | H&R Block, Inc. | 1,477,350 |
| | | <u>4,300,929</u> |
| Food & Beverages – 3.6% | | |
| 141,400 | Archer-Daniels-Midland Co. | 1,961,218 |
| 102,200 | Kraft Foods, Inc. | 3,035,340 |
| 61,200 | SYSCO Corp. | 1,925,352 |
| 214,192 | Tyson Foods, Inc. | 2,398,950 |
| | | <u>9,320,860</u> |
| Forestry & Paper Products – 0.5% | | |
| 49,700 | Boise Cascade Corp. | 1,354,325 |
| Gas Utilities – 0.4% | | |
| 37,900 | Oneok, Inc. | 795,521 |
| 8,200 | UGI Corp. | 250,510 |
| | | <u>1,046,031</u> |
| Gold – 0.1% | | |
| 6,300 | Newmont Mining Corp. | 247,338 |
| Heavy Electrical Equipment – 0.6% | | |
| 58,700 | Rockwell Automation, Inc. | 1,597,814 |
| Heavy Machinery – 1.5% | | |
| 52,800 | Caterpillar, Inc. | 3,792,624 |
| Home Products – 2.4% | | |
| 18,400 | Avon Products, Inc. | 1,179,440 |
| 7,100 | Colgate-Palmolive Co. | 392,488 |
| 48,400 | The Gillette Co. | 1,571,064 |
| 36,000 | The Procter & Gamble Co. | 3,142,440 |
| | | <u>6,285,432</u> |

| Shares | Description | Value |
|--|-------------------------------------|-------------------|
| Common Stocks – (continued) | | |
| Hotel – 0.1% | | |
| 23,400 | Park Place Entertainment Corp.* | \$ 205,452 |
| Industrial Parts – 0.1% | | |
| 5,100 | W.W. Grainger, Inc. | 254,133 |
| Information Services – 2.3% | | |
| 67,800 | Computer Sciences Corp.* | 2,886,246 |
| 62,600 | Convergys Corp.* | 1,126,800 |
| 5,500 | FactSet Research Systems, Inc. | 267,025 |
| 13,200 | IMS Health, Inc. | 257,004 |
| 19,500 | Moody's Corp. | 1,011,270 |
| 20,800 | Quintiles Transnational Corp.* | 296,192 |
| | | <u>5,844,537</u> |
| Leisure – 0.6% | | |
| 55,900 | Eastman Kodak Co. | 1,559,051 |
| Life/Health Insurance – 4.1% | | |
| 75,800 | MetLife, Inc. | 2,154,236 |
| 58,500 | Nationwide Financial Services, Inc. | 1,725,750 |
| 63,600 | Principal Financial, Inc. | 2,000,856 |
| 15,100 | Protective Life Corp. | 439,259 |
| 96,400 | Prudential Financial, Inc. | 3,509,924 |
| 29,500 | The MONY Group, Inc. | 827,180 |
| | | <u>10,657,205</u> |
| Media – 5.1% | | |
| 76,500 | AOL Time Warner, Inc.* | 1,251,540 |
| 62,336 | Comcast Corp.* | 1,854,496 |
| 32,800 | Cox Radio, Inc.* | 791,792 |
| 88,000 | Fox Entertainment Group, Inc.* | 2,779,040 |
| 19,800 | General Motors Corp. Class H* | 295,812 |
| 303,100 | Liberty Media Corp.* | 3,667,510 |
| 30,700 | PanAmSat Corp.* | 485,367 |
| 93,400 | The Walt Disney Co. | 1,914,700 |
| | | <u>13,040,257</u> |
| Medical Products – 1.0% | | |
| 51,900 | Zimmer Holdings, Inc.* | 2,685,306 |
| Medical Services – 0.7% | | |
| 31,100 | Health Net, Inc.* | 989,913 |
| 2,653 | Medco Health Solutions, Inc.* | 70,841 |
| 9,600 | PacifiCare Health Systems, Inc.* | 478,080 |
| 8,900 | Triad Hospitals, Inc.* | 288,360 |
| | | <u>1,827,194</u> |
| Mining & Metals – 0.2% | | |
| 29,700 | United States Steel Corp. | 546,777 |
| Motor Vehicles & Parts – 3.1% | | |
| 10,300 | Autoliv, Inc. | 311,163 |
| 143,700 | AutoNation, Inc.* | 2,700,123 |
| 110,400 | Ford Motor Co. | 1,276,224 |
| 81,300 | General Motors Corp. | 3,341,430 |
| 47,200 | Visteon Corp. | 318,600 |
| | | <u>7,947,540</u> |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|---|---|-------------------|
| Common Stocks – (continued) | | |
| Oil Refining – 2.1% | | |
| 21,867 | ChevronTexaco Corp. | \$ 1,593,448 |
| 30,100 | Marathon Oil Corp. | 839,489 |
| 66,900 | Sunoco, Inc. | 2,718,147 |
| 6,100 | Western Gas Resources, Inc. | 239,364 |
| | | <u>5,390,448</u> |
| Oil Services – 0.3% | | |
| 19,900 | Halliburton Co. | 481,182 |
| 19,700 | Pride International, Inc.* | 336,673 |
| | | <u>817,855</u> |
| Property/Casualty Insurance – 4.4% | | |
| 18,700 | American International Group, Inc. | 1,113,959 |
| 54,800 | CNA Financial Corp.* | 1,191,900 |
| 79,325 | Fidelity National Financial, Inc. | 2,292,493 |
| 10,200 | First American Corp. | 246,636 |
| 65,400 | Loews Corp. | 2,691,864 |
| 53,000 | MBIA, Inc. | 2,992,380 |
| 46,109 | Travelers Property Casualty Corp. Class B | 714,228 |
| | | <u>11,243,460</u> |
| Publishing – 0.7% | | |
| 44,700 | Deluxe Corp. | 1,908,690 |
| Railroads – 0.4% | | |
| 21,700 | Burlington Northern Santa Fe Corp. | 615,195 |
| 11,400 | CSX Corp. | 367,992 |
| | | <u>983,187</u> |
| Restaurants – 0.1% | | |
| 7,200 | CBRL Group, Inc. | 251,136 |
| Securities & Asset Management – 1.3% | | |
| 67,100 | Ameritrade Holding Corp.* | 729,377 |
| 2,600 | Lehman Brothers Holdings, Inc. | 170,898 |
| 23,200 | Merrill Lynch & Co., Inc. | 1,247,696 |
| 5,100 | Morgan Stanley | 248,829 |
| 11,500 | The Bear Stearns Companies, Inc. | 804,770 |
| | | <u>3,201,570</u> |
| Semiconductors – 1.7% | | |
| 22,164 | Arrow Electronics, Inc. | 457,465 |
| 63,600 | Avnet, Inc.* | 1,147,980 |
| 68,000 | Intel Corp. | 1,946,160 |
| 9,500 | National Semiconductor Corp.* | 276,830 |
| 8,500 | SanDisk Corp.* | 513,910 |
| | | <u>4,342,345</u> |
| Specialty Retail – 0.3% | | |
| 53,000 | Circuit City Stores, Inc. | 552,790 |
| 7,100 | CVS Corp. | 231,460 |
| | | <u>784,250</u> |

| Shares | Description | Value |
|---|--------------------------------------|----------------------|
| Common Stocks – (continued) | | |
| Telephone – 5.5% | | |
| 131,000 | AT&T Corp. | \$ 2,921,300 |
| 99,200 | BellSouth Corp. | 2,499,840 |
| 155,864 | SBC Communications, Inc. | 3,505,381 |
| 175,300 | Sprint Corp. | 2,589,181 |
| 75,078 | Verizon Communications, Inc. | 2,651,755 |
| | | <u>14,167,457</u> |
| Thrifts – 1.5% | | |
| 9,900 | Golden West Financial Corp. | 854,073 |
| 78,600 | Washington Mutual, Inc. | 3,063,828 |
| | | <u>3,917,901</u> |
| Tobacco – 1.4% | | |
| 19,000 | Altria Group, Inc. | 783,180 |
| 78,600 | R.J. Reynolds Tobacco Holdings, Inc. | 2,684,190 |
| | | <u>3,467,370</u> |
| Wireless Telecommunications – 1.5% | | |
| 13,930 | ALLTEL Corp. | 637,994 |
| 300,400 | AT&T Wireless Services, Inc.* | 2,589,448 |
| 25,700 | United States Cellular Corp.* | 718,572 |
| | | <u>3,946,014</u> |
| TOTAL COMMON STOCKS | | |
| (Cost \$237,356,025) | | \$253,431,889 |
| TOTAL INVESTMENTS BEFORE SECURITIES LENDING COLLATERAL | | |
| (Cost \$237,356,025) | | \$253,431,889 |

Securities Lending Collateral — 1.5%

| | | |
|--|---|----------------------|
| 3,767,800 | Boston Global Investment Trust – Enhanced Portfolio | \$ 3,767,800 |
| TOTAL SECURITIES LENDING COLLATERAL | | |
| (Cost \$3,767,800) | | \$ 3,767,800 |
| TOTAL INVESTMENTS | | |
| (Cost \$241,123,825) | | \$257,199,689 |

* Non-income producing security.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

Investment Abbreviations:

REIT—Real Estate Investment Trust

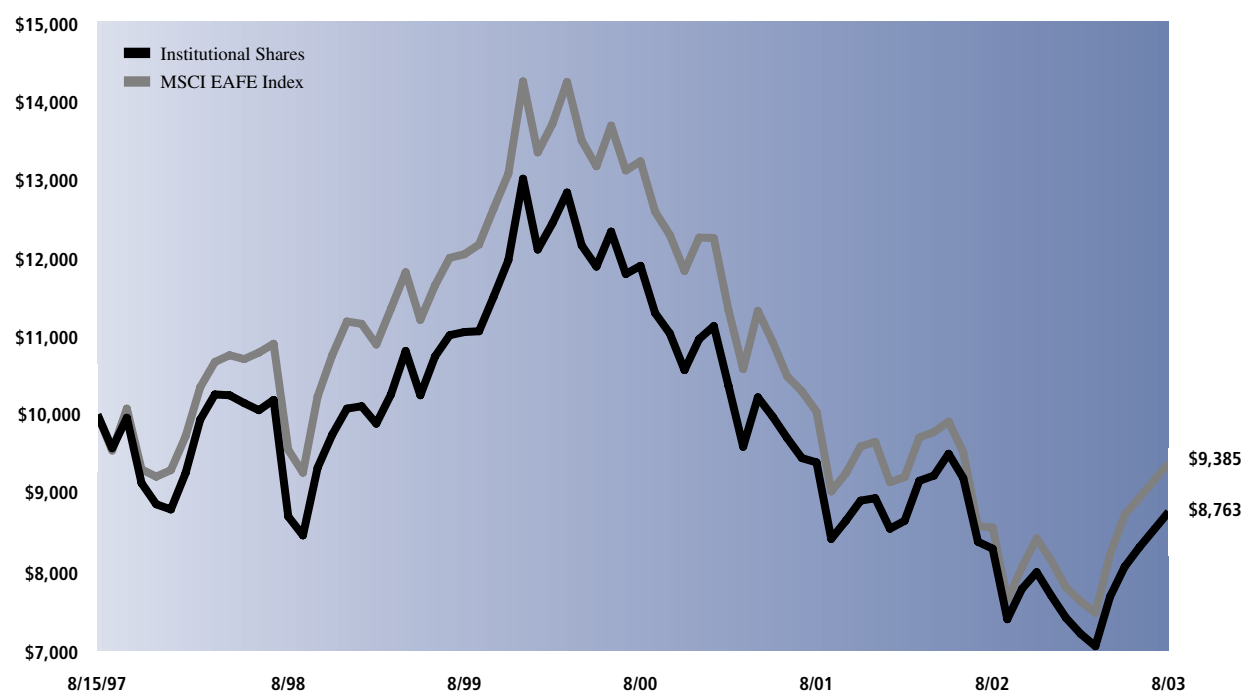
Performance Summary

August 31, 2003

The following graph shows the value, as of August 31, 2003, of a \$10,000 investment made on August 15, 1997 (commencement of operations) in Institutional Shares at NAV of the Goldman Sachs CORE International Equity Fund. For comparative purposes, the performance of the Fund's benchmark, the Morgan Stanley Capital International Europe, Australasia, Far East Index (unhedged, with dividends reinvested) ("MSCI EAFE Index"), is shown. This performance data represents past performance and should not be considered indicative of future performance which will fluctuate with changes in market conditions. These performance fluctuations will cause an investor's shares, when redeemed, to be worth more or less than their original cost. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares. Performance of Class A, Class B, Class C and Service Shares will vary from Institutional Shares due to differences in fees and loads. In addition to the investment adviser's decisions regarding issuer/industry/country investment selection and allocation, other factors may affect portfolio performance. These factors include, but are not limited to, portfolio operating fees and expenses, portfolio turnover, and subscription and redemption cash flows affecting a portfolio.

CORE International Equity Fund's Lifetime Performance

Performance of a \$10,000 Investment, Distributions Reinvested August 15, 1997 to August 31, 2003.



Average Annual Total Return through August 31, 2003

Class A (commenced August 15, 1997)

Excluding sales charges

Since Inception

Five Years

One Year

Including sales charges

-2.79%

-0.53%

5.00%

-3.69%

-1.64%

-0.80%

Class B (commenced August 15, 1997)

Excluding contingent deferred sales charges

-3.25%

-1.02%

4.45%

Including contingent deferred sales charges

-3.25%

-1.42%

-0.55%

Class C (commenced August 15, 1997)

Excluding contingent deferred sales charges

-3.24%

-1.01%

4.38%

Including contingent deferred sales charges

-3.24%

-1.01%

3.37%

Institutional Class (commenced August 15, 1997)

-2.16%

0.13%

5.64%

Service Class (commenced August 15, 1997)

-2.62%

-0.36%

5.14%

Statement of Investments

August 31, 2003

| Shares | Description | Value |
|------------------------------|--|------------|
| Common Stocks – 95.0% | | |
| Australia – 4.7% | | |
| 32,528 | AMP Ltd. (Insurance) | \$ 140,884 |
| 7,033 | Ansell Ltd.* (Health & Personal Care) | 30,826 |
| 112,827 | Australia & New Zealand Banking Group Ltd. (Banking) | 1,283,589 |
| 151,695 | BHP Ltd. (Energy Sources) | 1,076,639 |
| 148,500 | Boral Ltd. (Building Materials & Components) | 513,964 |
| 64,593 | Brambles Industries Ltd. (Business & Public Services) | 215,589 |
| 83,600 | CFS Gandel Retail Trust (Real Estate) | 71,657 |
| 23,179 | Coca-Cola Amatil Ltd. (Beverages & Tobacco) | 85,190 |
| 27,600 | Coles Myer Ltd. (Merchandising) | 131,727 |
| 16,319 | Commonwealth Bank of Australia (Banking) | 297,239 |
| 37,999 | CSR Ltd. (Building Materials & Components) | 49,843 |
| 357,200 | Deutsche Office Trust (Real Estate) | 255,143 |
| 102,700 | Futuris Corp. Ltd. (Food & Household Products) | 100,699 |
| 77,400 | General Property Trust (Real Estate) | 140,224 |
| 8,300 | Iluka Resources Ltd. (Misc. Materials & Commodities) | 22,205 |
| 35,587 | Investa Property Group (Financial Services) | 45,061 |
| 10,658 | John Fairfax Holdings Ltd. (Broadcasting & Publishing) | 21,662 |
| 11,923 | Lion Nathan Ltd. (Beverages & Tobacco) | 40,801 |
| 8,476 | Macquarie Bank Ltd. (Financial Services) | 174,253 |
| 39,898 | Macquarie Goodman Industrial (Financial Services) | 40,416 |
| 50,493 | Mirvac Group (Real Estate) | 144,921 |
| 28,640 | National Australia Bank Ltd. (Banking) | 578,193 |
| 169,600 | OneSteel Ltd. (Metals – Steel) | 216,956 |
| 48,576 | Orica Ltd. (Chemicals) | 363,058 |
| 91,412 | Origin Energy Ltd. (Energy Resources) | 247,524 |
| 69,600 | PaperlinX Ltd. (Forestry & Paper Products) | 228,685 |
| 95,341 | Publishing & Broadcasting Ltd. (Broadcasting & Publishing) | 684,102 |
| 143,785 | QBE Insurance Group Ltd. (Insurance) | 915,928 |
| 12,703 | Rinker Group Ltd.* (Building Materials & Components) | 47,925 |
| 13,100 | Rio Tinto Ltd. (Metals – Non Ferrous) | 291,857 |
| 80,581 | Santos Ltd. (Energy Sources) | 305,580 |

| Shares | Description | Value |
|------------------------------------|---|-------------------|
| Common Stocks – (continued) | | |
| Australia – (continued) | | |
| 9,463 | Sonic Healthcare Ltd. (Health & Personal Care) | \$ 40,679 |
| 7,110 | Stockland Trust Group (Real Estate) | 22,577 |
| 200 | TABCORP Holdings Ltd. (Leisure & Tourism) | 1,495 |
| 371,351 | Telstra Corp. Ltd. (Telecommunications) | 1,210,506 |
| 69,435 | The News Corp. Ltd. (Broadcasting & Publishing) | 595,156 |
| 116,180 | Westfield Trust (Real Estate) | 248,957 |
| 143,000 | Westpac Banking Corp. Ltd. (Banking) | 1,453,212 |
| | | <u>12,334,922</u> |
| Belgium – 2.7% | | |
| 26,747 | Agfa Gevaert NV (Recreation and Other Consumer Goods) | 599,848 |
| 2,100 | Bekaert NV (Industrial Components) | 100,911 |
| 4,550 | Colruyt NV (Merchandising) | 331,636 |
| 64,624 | Delhaize Group (Merchandising) | 2,508,579 |
| 4,073 | Electrabel SA (Utilities – Electrical & Gas) | 1,022,696 |
| 136,227 | Fortis (Financial Services) | 2,292,844 |
| 1,068 | Solvay SA (Chemicals) | 70,329 |
| 7,153 | UCB SA (Health & Personal Care) | 190,379 |
| | | <u>7,117,222</u> |
| France – 6.8% | | |
| 3,837 | Accor SA (Leisure & Tourism) | 149,704 |
| 2,353 | Air France (Transportation-Airlines) | 37,120 |
| 2,410 | Alcatel SA* (Telecommunications) | 26,229 |
| 5,600 | Aventis SA (Health & Personal Care) | 272,358 |
| 2,100 | Axa (Insurance) | 37,284 |
| 71,956 | BNP Paribas SA (Banking) | 3,589,779 |
| 4,376 | Carrefour SA (Merchandising) | 218,408 |
| 20,550 | Casino Guichard-Perrachon SA (Merchandising) | 1,637,895 |
| 7,608 | CNP Assurances (Insurance) | 303,190 |
| 805 | Pinault-Printemps-Redoute SA (Merchandising) | 69,249 |
| 40,819 | Renault SA (Automobiles) | 2,463,604 |
| 477 | Sagem SA (Telecommunications) | 43,026 |
| 34,600 | Societe Generale Series A (Banking) | 2,297,467 |
| 26,640 | TotalFinaElf SA (Energy Sources) | 4,091,352 |
| 10,601 | Vinci SA (Construction & Housing) | 688,764 |
| 291,080 | Wanadoo* (Business & Public Services) | 1,916,794 |
| | | <u>17,842,223</u> |

| Shares | Description | Value |
|------------------------------------|---|-------------------|
| Common Stocks – (continued) | | |
| Germany – 10.9% | | |
| 13,954 | Allianz AG (Insurance) | \$ 1,245,789 |
| 6,539 | Altana AG (Health & Personal Care) | 335,782 |
| 53,683 | BASF AG (Chemicals) | 2,475,149 |
| 113,711 | Bayer AG (Chemicals) | 2,433,911 |
| 28,522 | Continental AG* (Industrial Components) | 744,384 |
| 12,382 | DaimlerChrysler AG (Automobiles) | 472,206 |
| 12,700 | Deutsche Lufthansa AG (Transportation-Airlines) | 173,824 |
| 46,900 | Deutsche Post AG (Business & Public Services) | 752,769 |
| 263,537 | Deutsche Telekom AG* (Telecommunications) | 3,766,354 |
| 69,750 | E.ON AG (Utilities – Electrical & Gas) | 3,611,614 |
| 2,377 | Fresenius Medical Care AG (Health & Personal Care) | 120,466 |
| 39,500 | Merck KGaA (Health & Personal Care) | 1,145,100 |
| 22,633 | Metro AG (Merchandising) | 819,600 |
| 7,115 | Muenchener Rueckversicherungs-Gesellschaft AG (Insurance) | 728,999 |
| 1,304 | Schering AG (Health & Personal Care) | 52,525 |
| 95,626 | Siemens AG (Multi-Industry) | 5,929,134 |
| 193,593 | TUI AG (Leisure & Tourism) | 3,085,985 |
| 16,548 | Volkswagen AG (Automobiles) | 812,457 |
| | | <u>28,706,048</u> |
| Hong Kong – 0.9% | | |
| 21,000 | ASM Pacific Technology Ltd. (Electronic Components & Instruments) | 70,545 |
| 122,585 | Bank of East Asia Ltd. (Banking) | 289,203 |
| 149,000 | Boc Hong Kong Holdings Ltd (Banking) | 191,044 |
| 22,000 | Cathay Pacific Airways Ltd. (Transportation – Airlines) | 37,658 |
| 24,000 | Cheung Kong (Holdings) Ltd. (Real Estate) | 186,172 |
| 56,000 | CLP Holdings Ltd. (Utilities – Electrical & Gas) | 246,998 |
| 37,000 | Esprit Holdings Ltd. (Merchandising) | 92,746 |
| 6,500 | Hang Seng Bank Ltd. (Banking) | 71,882 |
| 23,500 | Hongkong Electric Holdings Ltd. (Utilities – Electrical & Gas) | 92,804 |
| 50,000 | Hutchison Whampoa Ltd. (Multi-Industry) | 368,625 |
| 84,000 | Hysan Development Co. Ltd. (Real Estate) | 99,086 |
| 32,000 | Li & Fung Ltd. (Wholesale and International Trade) | 54,569 |

| Shares | Description | Value |
|------------------------------------|--|------------------|
| Common Stocks – (continued) | | |
| Hong Kong – (continued) | | |
| 68,000 | PCCW Ltd.* (Telecommunications) | \$ 39,453 |
| 15,500 | SmarTone Telecommunications Holdings Ltd. (Telecommunications) | 19,476 |
| 27,000 | Sun Hung Kai Properties Ltd. (Real Estate) | 195,596 |
| 10,500 | Swire Pacific Ltd. Series A (Financial Services) | 58,967 |
| 18,000 | Techtronic Industries Co. Ltd. (Appliances & Household Durables) | 39,696 |
| 29,000 | The Wharf (Holdings) Ltd. (Financial Services) | 68,045 |
| 11,500 | Yue Yuen Industrial (Holdings) Ltd. (Textiles & Apparel) | 34,208 |
| | | <u>2,256,773</u> |
| Italy – 1.6% | | |
| 76,944 | Alleanza Assicurazioni (Insurance) | 695,317 |
| 31,587 | Assicurazioni Generali S.p.A. (Insurance) | 679,572 |
| 385,781 | Banca Intesa S.p.A. (Banking) | 1,159,937 |
| 35,907 | Enel S.p.A. (Utilities – Electrical & Gas) | 219,083 |
| 18,193 | Intesa Banca S.p.A. (Banking) | 40,701 |
| 237,448 | Parmalat Finanziaria S.p.A. (Food & Household Products) | 768,758 |
| 31,978 | Riunione Adriatica di Sicurtà S.p.A. (Insurance) | 460,531 |
| 157,018 | Seat Pagine Gialle S.p.A.* (Business & Public Services) | 135,160 |
| 14,881 | Snam Rete Gas S.p.A. (Utilities – Electrical & Gas) | 54,477 |
| 15,445 | Telecom Italia S.p.A.* (Telecommunications) | 24,416 |
| | | <u>4,237,952</u> |
| Japan – 28.7% | | |
| 82,800 | Aeon co., Ltd. (Merchandising) | 2,047,204 |
| 207,000 | Alps Electric Co. Ltd. (Electronic Components & Instruments) | 3,519,630 |
| 26,500 | Aoyama Trading Co., Ltd. (Merchandising) | 421,511 |
| 6,400 | Ariake Japan Co., Ltd. (Food & Household Products) | 172,224 |
| 382,000 | Asahi Kasei Corp. (Chemicals) | 1,447,007 |
| 22,500 | Autobacs Seven Co. Ltd. (Merchandising) | 429,040 |
| 50,600 | Benesse Corp. (Business & Public Services) | 930,171 |
| 2,000 | Bridgestone Corp. (Industrial Components) | 27,853 |
| 67,000 | Canon, Inc. (Electronic Components & Instruments) | 3,221,237 |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|-----------------------------|---|-----------|
| Common Stocks – (continued) | | |
| Japan – (continued) | | |
| 1,200 | Chubu Electric Power Co., Inc. (Utilities – Electrical & Gas) | \$ 21,854 |
| 9,400 | Coca-Cola West Japan Co. Ltd. (Beverages & Tobacco) | 153,787 |
| 42,000 | Dai Nippon Printing Co. Ltd. (Business & Public Services) | 535,236 |
| 23,700 | Daito Trust Construction Co., Ltd. (Construction & Housing) | 637,768 |
| 68,000 | Daiwa House Industry Co. Ltd. (Construction & Housing) | 529,734 |
| 46,000 | Daiwa Securities Group, Inc. (Financial Services) | 296,850 |
| 216,100 | Denso Corp. (Industrial Components) | 4,037,348 |
| 94 | East Japan Railway Co. (Transportation – Road & Rail) | 397,155 |
| 12,500 | Eisai Co., Ltd. (Health & Personal Care) | 261,387 |
| 6,600 | Fanuc Ltd. (Machinery & Engineering) | 435,532 |
| 2,900 | Fast Retailing Co., Ltd. (Merchandising) | 120,538 |
| 87,000 | Fuji Photo Film Co., Ltd. (Recreation and Other Consumer Goods) | 2,609,590 |
| 198,000 | Fujikura Ltd.* (Metals – Non Ferrous) | 892,557 |
| 431,000 | Fujitsu Ltd.* (Data Processing & Reproduction) | 2,061,088 |
| 4,000 | Hankyu Department Stores, Inc. (Merchandising) | 25,470 |
| 49,000 | Hino Motor, Ltd. (Machinery & Engineering) | 245,241 |
| 8,000 | Hitachi Cable Ltd. (Metals – Non Ferrous) | 28,316 |
| 13,700 | Hoya Corp. (Electronic Components & Instruments) | 1,048,472 |
| 35,000 | Ishikawajima-Harima Heavy Industries Co. Ltd. (Machinery & Engineering) | 55,491 |
| 8,000 | Itochu Corp. (Wholesale and International Trade) | 23,996 |
| 9,000 | JSR Corp. (Chemicals) | 152,873 |
| 485,000 | Kawasaki Heavy Industries Ltd. (Machinery & Engineering) | 615,160 |
| 2,400 | Keyence Corp. (Electronic Components & Instruments) | 501,247 |
| 39,000 | Kirin Brewery Co., Ltd. (Beverages & Tobacco) | 279,085 |
| 29,400 | Kurita Water Industries Ltd. (Machinery & Engineering) | 342,162 |
| 44,900 | Kyocera Corp. (Electronic Components & Instruments) | 2,885,975 |
| 52,000 | Kyowa Hakko Kogyo Co. Ltd. (Health & Personal Care) | 292,343 |

| Shares | Description | Value |
|-----------------------------|---|------------|
| Common Stocks – (continued) | | |
| Japan – (continued) | | |
| 19,300 | Kyushu Electric Power Co., Inc. (Utilities – Electrical & Gas) | \$ 292,266 |
| 5,800 | Mabuchi Motor Co., Ltd. (Electronic Components & Instruments) | 489,609 |
| 1,800 | Meitec Corp. (Business & Public Services) | 64,790 |
| 15 | Millea Holdings, Inc. (Insurance) | 155,547 |
| 58,000 | Mitsubishi Corp. (Wholesale and International Trade) | 490,106 |
| 141 | Mitsubishi Tokyo Financial Group, Inc. (Banking) | 821,699 |
| 218,000 | Mitsui Fudosan Co., Ltd. (Real Estate) | 1,758,049 |
| 69,000 | Mitsui Sumitomo Insurance Co., Ltd. (Insurance) | 412,161 |
| 1,635 | Mizuho Financial Group, Inc. (Banking) | 2,031,752 |
| 5,400 | Murata Manufacturing Co., Ltd (Electronic Components & Instruments) | 303,587 |
| 58,100 | Namco Ltd. (Business & Public Services) | 1,204,971 |
| 19,000 | Nichirei Corp. (Food & Household Products) | 61,550 |
| 459,000 | Nippon Express Co. Ltd. (Transportation – Road & Rail) | 1,880,293 |
| 62,000 | Nippon Shokubai Co., Ltd. (Chemicals) | 397,977 |
| 1,093,000 | Nippon Steel Corp. (Metals – Steel) | 1,957,724 |
| 1,080 | Nippon Telephone & Telegraph Corp. (Telecommunications) | 4,757,424 |
| 133,000 | Nippon Yusen Kabushiki Kaisha (Transportation – Shipping) | 549,394 |
| 163,700 | Nissan Motor Co. Ltd. (Automobiles) | 1,757,862 |
| 96 | NTT DoCoMo, Inc. (Telecommunications) | 246,818 |
| 24,000 | Olympus Optical Co., Ltd. (Health & Personal Care) | 551,228 |
| 17,200 | Omron Corp. (Electronic Components & Instruments) | 350,088 |
| 11,100 | Orix Corp. (Financial Services) | 737,241 |
| 23,300 | Pioneer Corp. (Appliances & Household Durables) | 523,169 |
| 1,700 | Promise Co. Ltd. (Financial Services) | 62,939 |
| 21,000 | Ricoh Co., Ltd. (Electronic Components & Instruments) | 386,939 |
| 10,600 | Saizeriya Co., Ltd. (Leisure & Tourism) | 89,934 |
| 53,000 | Sanden Corp. (Industrial Components) | 255,723 |
| 16,800 | Sankyo Co. (Recreation and Other Consumer Goods) | 549,994 |

| Shares | Description | Value |
|------------------------------------|---|-------------------|
| Common Stocks – (continued) | | |
| Japan – (continued) | | |
| 79,100 | Sankyo Co., Ltd. (Health & Personal Care) | \$ 976,167 |
| 17,000 | Sharp Corp. (Appliances & Household Durables) | 254,960 |
| 279,000 | Sumitomo Corp. (Wholesale and International Trade) | 1,728,731 |
| 62,000 | Sumitomo Electric Industries, Ltd. (Metals – Non Ferrous) | 540,909 |
| 17 | Sumitomo Mitsui Financial Group, Inc. (Banking) | 59,296 |
| 415,000 | Sumitomo Osaka Cement Co. Ltd. (Building Materials & Components) | 832,241 |
| 33,200 | Takeda Chemical Industries Ltd. (Health & Personal Care) | 1,200,703 |
| 35,920 | Takefuji Corp. (Financial Services) | 2,031,726 |
| 2,000 | Teijin Ltd. (Chemicals) | 5,691 |
| 349,000 | The Bank of Yokohama Ltd. (Banking) | 1,088,709 |
| 33,200 | The Kansai Electric Power Co., Inc. (Utilities – Electrical & Gas) | 523,814 |
| 99,000 | The Nomura Securities Co. Ltd. (Financial Services) | 1,440,648 |
| 31,000 | TIS, Inc. (Business & Public Services) | 850,152 |
| 87,700 | Tokyo Electric Power (Utilities – Electrical & Gas) | 1,706,123 |
| 301,000 | Tokyo Gas Co., Ltd. (Utilities – Electrical & Gas) | 915,756 |
| 16,000 | TonenGeneral Sekiyu K.K. (Energy Sources) | 108,874 |
| 367,000 | Toray Industries, Inc. (Chemicals) | 1,289,540 |
| 2,700 | Toyoda Gosei Co., Ltd. (Industrial Components) | 60,278 |
| 111,800 | Toyota Motor Corp. (Automobiles) | 3,085,195 |
| 40 | UFJ Holdings, Inc. (Banking) | 106,955 |
| 34,000 | UNY Co. Ltd. (Merchandising) | 340,626 |
| 61 | West Japan Railway (Transportation – Road & Rail) | 211,724 |
| 2,000 | Yakult Honsha Co., Ltd. (Food & Household Products) | 27,596 |
| 3,500 | Yamada Denki Co. Ltd. (Merchandising) | 94,785 |
| 37,000 | Yamanouchi Pharmaceutical Co. Ltd. (Health & Personal Care) | 970,305 |
| | | <u>75,294,470</u> |
| Netherlands – 4.4% | | |
| 152,813 | ABN AMRO Holding NV (Banking) | 2,679,521 |
| 60,807 | Aegon NV (Insurance) | 754,048 |
| 1,537 | Corio N.V. (Real Estate) | 47,159 |
| 8,669 | European Aeronautic Defense and Space Co. (Aerospace & Military Technology) | 137,236 |

| Shares | Description | Value |
|------------------------------------|---|-------------------|
| Common Stocks – (continued) | | |
| Netherlands – (continued) | | |
| 40,654 | ING Groep NV (Financial Services) | \$ 793,748 |
| 60,600 | Koninklijke (Royal) KPN NV* (Telecommunications) | 420,376 |
| 148,537 | Oce NV (Electronic Components & Instruments) | 1,917,074 |
| 1,575 | Rodamco Europe NV (Real Estate) | 78,903 |
| 55,697 | Royal Dutch Petroleum Co. (Energy Sources) | 2,489,021 |
| 24,240 | Unilever NV (Food & Household Products) | 1,351,067 |
| 27,046 | VNU NV (Broadcasting & Publishing) | 841,445 |
| | | <u>11,509,598</u> |
| Singapore – 1.6% | | |
| 354,000 | Capitaland Ltd. (Real Estate) | 274,591 |
| 2,200 | Creative Technology Ltd. (Electronic Components & Instruments) | 22,711 |
| 72,000 | Cycle & Carriage Ltd. (Wholesale and International Trade) | 192,186 |
| 97,000 | DBS Group Holdings Ltd. (Banking) | 697,085 |
| 35,000 | Fraser & Neave Ltd.* (Beverages & Tobacco) | 194,633 |
| 10,000 | Keppel Corp. Ltd. (Multi-Industry) | 29,944 |
| 140,000 | Neptune Orient Lines Ltd.* (Transportation – Shipping) | 146,923 |
| 89,000 | Oversea-Chinese Banking Corp. Ltd. (Banking) | 558,376 |
| 310,000 | SembCorp Industries Ltd. (Multi-Industry) | 231,620 |
| 41,000 | Singapore Airlines Ltd. (Transportation – Airlines) | 261,906 |
| 105,000 | Singapore Technologies Engineering Ltd. (Aerospace & Military Technology) | 116,181 |
| 665,000 | Singapore Telecommunications Ltd. (Telecommunications) | 644,784 |
| 86,000 | SMRT Corp. Ltd. (Transportation – Road & Rail) | 28,204 |
| 59,000 | United Overseas Bank Ltd. (Banking) | 427,366 |
| 95,000 | United Overseas Land Ltd. (Banking) | 102,949 |
| 17,000 | Venture Corp. Ltd. (Electronic Components & Instruments) | 195,859 |
| | | <u>4,125,318</u> |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|------------------------------------|---|-------------------|
| Common Stocks – (continued) | | |
| Spain – 5.9% | | |
| 32,484 | ACS, Actividades de Construcción y Servicios, SA (Construction & Housing) | \$ 1,363,100 |
| 96,300 | Banco Bilbao Vizcaya SA (Banking) | 1,032,208 |
| 373,579 | Banco Santander Central Hispano SA (Banking) | 3,191,094 |
| 148,272 | Corporación Mapfre SA (Insurance) | 1,630,029 |
| 136,427 | Endesa SA (Utilities – Electrical & Gas) | 2,126,732 |
| 28,967 | Indra Sistemas, SA (Business & Public Services) | 320,996 |
| 216,898 | Repsol SA (Energy Sources) | 3,667,314 |
| 6,669 | Sacyr Vallehermoso SA (Real Estate) | 73,316 |
| 3,832 | Sociedad General de Aguas de Barcelona SA (Utilities – Electrical & Gas) | 49,078 |
| 150,848 | Telefonica de España SA* (Telecommunications) | 1,777,749 |
| 11,464 | Telefonica Publicidad e Información SA (TPI) (Business & Public Services) | 53,185 |
| 8,362 | Unión Fenosa, SA (Utilities – Electrical & Gas) | 131,089 |
| | | <u>15,415,890</u> |
| Sweden – 1.6% | | |
| 37,000 | Electrolux AB Series B (Appliances & Household Durables) | 825,122 |
| 3,400 | Gambro AB Series B (Health & Personal Care) | 22,767 |
| 21,200 | Getinge Industrier AB Class B (Health & Personal Care) | 654,024 |
| 23,050 | Modern Times Group MTG AB* (Broadcasting & Publishing) | 366,573 |
| 180,700 | Skandinaviska Enskilda Banken AB (Banking) | 1,728,566 |
| 4,600 | SKF AB (Machinery & Engineering) | 142,461 |
| 9,900 | Tele2 AB Series B* (Telecommunications) | 372,301 |
| | | <u>4,111,814</u> |
| Switzerland – 5.9% | | |
| 4,562 | Adecco SA (Business & Public Services) | 230,765 |
| 81,064 | Compagnie Financière Richemont AG (Textiles & Apparel) | 1,552,185 |
| 66,022 | Credit Suisse Group (Financial Services) | 2,063,703 |

| Shares | Description | Value |
|------------------------------------|--|-------------------|
| Common Stocks – (continued) | | |
| Switzerland – (continued) | | |
| 4,141 | Nestle SA (Food & Household Products) | \$ 902,372 |
| 76,363 | Novartis AG (Health & Personal Care) | 2,809,770 |
| 17,199 | Roche Holding AG (Health & Personal Care) | 1,317,896 |
| 35 | Serono SA (Health & Personal Care) | 22,181 |
| 1,863 | SGS Société Générale de Surveillance Holding SA (Business & Public Services) | 883,815 |
| 3,388 | Swatch Group AG Series B (Recreation and Other Consumer Goods) | 329,202 |
| 7,571 | Swisscom AG (Telecommunications) | 2,071,727 |
| 29,064 | The Swatch Group AG (Recreation and Other Consumer Goods) | 568,966 |
| 15,403 | UBS AG (Financial Services) | 831,420 |
| 14,288 | Zurich Financial Services AG (Insurance) | 1,837,488 |
| | | <u>15,421,490</u> |
| United Kingdom – 19.3% | | |
| 47,094 | Alliance Unichem PLC (Health & Personal Care) | 378,883 |
| 54,890 | AstraZeneca PLC (Health & Personal Care) | 2,104,114 |
| 21,300 | BAA PLC (Business & Public Services) | 153,220 |
| 372,271 | Barclays PLC (Banking) | 2,701,386 |
| 322,619 | BHP Billiton PLC (Metals – Non Ferrous) | 2,114,612 |
| 14,733 | BP PLC ADR (Energy Sources) | 614,661 |
| 819,950 | BP PLC (Energy Sources) | 5,548,995 |
| 5,974 | British Land Co. PLC (Real Estate) | 46,814 |
| 154,582 | British Sky Broadcasting Group PLC* (Broadcasting & Publishing) | 1,614,309 |
| 248,160 | BT Group PLC (Telecommunications) | 720,310 |

| Shares | Description | Value |
|-------------------------------------|--|--------------|
| Common Stocks – (continued) | | |
| United Kingdom – (continued) | | |
| 391,917 | Carlton Communications PLC (Broadcasting & Publishing) | \$ 1,078,845 |
| 71,366 | CGNU PLC (Insurance) | 564,588 |
| 3,936 | Compass Group PLC (Leisure & Tourism) | 21,747 |
| 58,700 | De La Rue PLC (Business & Public Services) | 249,222 |
| 3,666 | Diageo PLC (Beverages & Tobacco) | 39,210 |
| 16,292 | EMAP PLC (Broadcasting & Publishing) | 219,612 |
| 28,149 | Enterprise Inns PLC (Leisure & Tourism) | 377,443 |
| 86,594 | Firstgroup PLC (Transportation – Road & Rail) | 392,390 |
| 18,475 | FKI PLC (Multi-Industry) | 33,225 |
| 134,548 | George Wimpey PLC (Construction & Housing) | 827,773 |
| 169,279 | GKN PLC (Industrial Components) | 700,307 |
| 131,370 | GlaxoSmithKline PLC* (Health & Personal Care) | 2,501,342 |
| 42,350 | GlaxoSmithKline PLC ADR (Health & Personal Care) | 1,644,451 |
| 42,332 | GUS PLC (Merchandising) | 456,767 |
| 349,992 | HBOS PLC (Banking) | 3,886,874 |
| 357,145 | HSBC Holdings PLC (Banking) | 4,580,414 |
| 190,500 | IMI PLC (Machinery & Engineering) | 1,000,711 |
| 227,400 | Imperial Chemical Industries PLC (Chemicals) | 695,924 |
| 1,931 | Imperial Tobacco Group PLC (Beverages & Tobacco) | 30,096 |
| 93,700 | J Sainsbury PLC (Merchandising) | 407,591 |
| 15,400 | Kelda Group PLC (Utilities – Electrical & Gas) | 99,482 |
| 63,063 | Kingfisher PLC (Merchandising) | 270,591 |
| 3,662 | Lloyds TSB Group PLC (Banking) | 23,974 |
| 26,291 | Man Group PLC (Financial Services) | 509,302 |
| 32,343 | Marks & Spencer Group PLC (Merchandising) | 155,359 |
| 19,133 | MFI Furniture Group PLC (Appliances & Household Durables) | 54,328 |

| Shares | Description | Value |
|-------------------------------------|--|----------------------|
| Common Stocks – (continued) | | |
| United Kingdom – (continued) | | |
| 19,085 | National Grid Transco PLC (Utilities – Electrical & Gas) | \$ 116,588 |
| 94,267 | Provident Financial PLC (Financial Services) | 950,233 |
| 14,400 | Prudential PLC (Insurance) | 99,155 |
| 20,800 | Rentokil Initial PLC (Business & Public Services) | 68,905 |
| 212,458 | Rexam PLC (Misc. Materials & Commodities) | 1,373,288 |
| 18,029 | Royal Bank of Scotland Group PLC (Banking) | 447,658 |
| 52,500 | SABMiller PLC (Beverages & Tobacco) | 391,526 |
| 5,300 | Safeway PLC (Merchandising) | 23,703 |
| 200,140 | Scottish & Newcastle plc (Beverages & Tobacco) | 1,187,111 |
| 12,123 | Scottish and Southern Energy PLC (Utilities – Electrical & Gas) | 120,481 |
| 58,912 | Scottish Power PLC (Utilities – Electrical & Gas) | 336,652 |
| 11,800 | Shell Transport & Trading Co. PLC (Energy Sources) | 73,807 |
| 16,800 | Shell Transport & Trading Co. PLC ADR (Energy Sources) | 645,792 |
| 33,275 | Stagecoach Holdings PLC (Transportation – Road & Rail) | 40,418 |
| 66,456 | Tate & Lyle PLC (Food & Household Products) | 370,590 |
| 210,700 | Unilever PLC* (Food & Household Products) | 1,710,092 |
| 100,800 | United Utilities PLC (Utilities – Electrical & Gas) | 741,791 |
| 206,401 | Vodafone Group PLC (Telecommunications) | 376,879 |
| 261,700 | Vodafone Group PLC ADR (Telecommunications) | 4,789,110 |
| 3,022 | Wolseley PLC (Wholesale and International Trade) | 34,562 |
| | | 50,717,213 |
| TOTAL COMMON STOCKS | | |
| (Cost \$229,596,808) | | \$249,090,933 |

Statement of Investments (continued)

August 31, 2003

| Shares | Description | Value |
|--------------------------------|--|------------|
| Preferred Stocks – 0.3% | | |
| Australia – 0.1% | | |
| 48,874 | The News Corp. Ltd. (Broadcasting & Publishing) | \$ 350,686 |
| Germany – 0.2% | | |
| 1,550 | Fresenius Medical (Health & Personal Care) | 57,800 |
| 10,342 | Volkswagen AG (Automobiles) | 344,495 |
| | | 402,295 |
| TOTAL PREFERRED STOCKS | | |
| (Cost \$628,063) | | \$ 752,981 |

| | | |
|---|---|-----------|
| Dividend Right Certificates – 0.0% | | |
| Switzerland – 0.0% | | |
| 619 | Roche Holding AG (Health & Personal Care) | \$ 72,640 |
| TOTAL DIVIDEND RIGHT CERTIFICATES | | |
| (Cost \$63,595) | | \$ 72,640 |

| Units | Description | Expiration Date | Value |
|------------------------------|---|-----------------|----------|
| Rights – 0.0% | | | |
| United Kingdom – 0.0% | | | |
| 56,000 | United Utilities PLC* (Utilities – Electrical & Gas) | 9/17/2003 | \$94,966 |
| TOTAL RIGHTS | | | |
| (Cost \$0) | | | \$94,966 |

| Principal Amount | Interest Rate | Maturity Date | Value |
|--|---------------|---------------|---------------|
| Short-Term Obligation – 1.2% | | | |
| \$3,140,000 | 0.94% | 09/02/2003 | \$ 3,140,000 |
| TOTAL SHORT-TERM OBLIGATION | | | |
| (Cost \$3,140,000) | | | \$ 3,140,000 |
| TOTAL INVESTMENTS BEFORE SECURITIES | | | |
| LENDING COLLATERAL | | | |
| (Cost \$233,428,466) | | | \$253,151,520 |

| Shares | Description | Value |
|---|--|---------------|
| Securities Lending Collateral – 6.4% | | |
| 16,692,727 | Boston Global Investment – Enhanced Portfolio | \$ 16,692,727 |
| TOTAL SECURITIES LENDING COLLATERAL | | |
| (Cost \$16,692,727) | | \$ 16,692,727 |
| TOTAL INVESTMENTS | | |
| (Cost \$250,121,193) | | \$269,844,247 |

* Non-income producing security.

The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

Investment Abbreviations:

ADR—American Depositary Receipt

| | As a % of Net Assets |
|---|----------------------------|
| Common and Preferred Stock Industry Classifications† | |
| Aerospace & Military Technology | 0.1% |
| Appliances & Household Durables | 0.6 |
| Automobiles | 3.4 |
| Banking | 14.3 |
| Beverages & Tobacco | 0.9 |
| Broadcasting & Publishing | 2.3 |
| Building Materials & Components | 0.5 |
| Business & Public Services | 3.3 |
| Chemicals | 3.6 |
| Construction & Housing | 1.5 |
| Data Processing & Reproduction | 0.8 |
| Electronic Components & Instruments | 5.7 |
| Energy Resources | 0.1 |
| Energy Sources | 7.1 |
| Financial Services | 4.7 |
| Food & Household Products | 2.1 |
| Forestry & Paper Products | 0.1 |
| Health & Personal Care | 6.8 |
| Industrial Components | 2.3 |
| Insurance | 4.1 |
| Leisure & Tourism | 1.4 |
| Machinery & Engineering | 1.1 |
| Merchandising | 4.0 |
| Metals-Non Ferrous | 1.5 |
| Metals-Steel | 0.8 |
| Misc. Materials & Commodities | 0.5 |
| Multi-Industry | 2.5 |
| Real Estate | 1.4 |
| Recreation and Other Consumer Goods | 1.8 |
| Telecommunications | 8.1 |
| Textiles & Apparel | 0.6 |
| Transportation – Airlines | 0.2 |
| Transportation – Road & Rail | 1.1 |
| Transportation – Shipping | 0.3 |
| Utilities – Electrical & Gas | 4.7 |
| Wholesale and International Trade | 1.0 |
| TOTAL COMMON AND PREFERRED STOCK | 95.3% |

† Industry concentrations greater than one tenth of one percent are disclosed.

Statements of Assets and Liabilities

August 31, 2003

CORE U.S. Equity Fund

Assets:

| | |
|---|--------------------|
| Investment in securities, at value (identified cost \$560,269,200, \$324,436,547, \$238,679,654, \$237,356,025 and \$233,428,466, respectively) | \$646,712,602 |
| Securities lending collateral, at value | 10,395,400 |
| Cash ^(a) | 650,434 |
| Foreign currencies, at value (identified cost \$0, \$0, \$0, \$0 and \$5,399,370, respectively) | — |
| Receivables: | |
| Dividends and interest, at value | 1,024,577 |
| Fund shares sold | 340,584 |
| Investment securities sold, at value | — |
| Reimbursement from adviser | 51,638 |
| Variation margin ^(b) | — |
| Securities lending income | 1,146 |
| Other assets | — |
| Total assets | 659,176,381 |

Liabilities:

| | |
|---|-------------------|
| Due to Bank | — |
| Payables: | |
| Payable upon return of securities loaned | 10,395,400 |
| Investment securities purchased, at value | — |
| Fund shares repurchased | 1,642,887 |
| Amounts owed to affiliates | 663,043 |
| Variation margin | 350 |
| Accrued expenses | 88,670 |
| Total liabilities | 12,790,350 |

Net Assets:

| | |
|---|----------------------|
| Paid-in capital | 757,191,833 |
| Accumulated undistributed net investment income | 2,140,445 |
| Accumulated net realized loss on investment, futures and foreign currency related transactions | (199,390,494) |
| Net unrealized gain on investments, futures and translation of assets and liabilities denominated in foreign currencies | 86,444,247 |
| NET ASSETS | \$646,386,031 |
| Net asset value, offering and redemption price per share: ^(c) | |
| Class A | \$22.57 |
| Class B | \$21.42 |
| Class C | \$21.34 |
| Institutional | \$23.00 |
| Service | \$22.40 |
| Shares Outstanding: | |
| Class A | 15,578,984 |
| Class B | 5,555,306 |
| Class C | 1,712,493 |
| Institutional | 5,715,331 |
| Service | 344,506 |
| Total shares outstanding, \$.001 par value (unlimited number of shares authorized) | 28,906,620 |

(a) Includes restricted cash of \$625,000, \$625,000, \$1,000,000 and \$2,774,500, respectively for the CORE U.S. Equity, CORE Large Cap Growth, CORE Small Cap Equity and CORE Large Cap Value Funds relating to initial margin requirements on futures transactions.

(b) Includes \$630,000 for CORE International Equity Fund relating to initial margin requirements for futures transactions.

(c) Maximum public offering price per share (NAV per share multiplied by 1.0582) for Class A Shares of the CORE U.S. Equity, CORE Large Cap Growth, CORE Small Cap Equity, CORE Large Cap Value and CORE International Equity Funds is \$23.88, \$10.93, \$12.29, \$10.03 and \$8.11, respectively. At redemption, Class B and Class C Shares may be subject to a contingent deferred sales charge, assessed on the amount equal to the lesser of the current NAV or the original purchase price of the shares.

| CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| \$ 368,104,994 | \$276,047,928 | \$253,431,889 | \$253,151,520 |
| — | 15,610,201 | 3,767,800 | 16,692,727 |
| 2,166,048 | 1,000,000 | 3,356,886 | 627 |
| — | — | — | 5,398,252 |
| 315,599 | 182,789 | 485,896 | 629,323 |
| 194,172 | 661,057 | 242,970 | 1,139,747 |
| — | 1,339,899 | 19,328 | 21,558,444 |
| 36,694 | 48,262 | 20,652 | 87,225 |
| 12,350 | 66,092 | 22,923 | 630,000 |
| 99 | 36,110 | 1,717 | 9,949 |
| — | — | — | 639 |
| 370,829,956 | 294,992,338 | 261,350,061 | 299,298,453 |
| — | 424,623 | — | — |
| — | 15,610,201 | 3,767,800 | 16,692,727 |
| — | — | — | 19,503,981 |
| 470,972 | 645,925 | 187,552 | 428,259 |
| 389,065 | 260,188 | 192,258 | 254,541 |
| — | — | — | 11,429 |
| 82,156 | 108,076 | 75,939 | 120,613 |
| 942,193 | 17,049,013 | 4,223,549 | 37,011,550 |
| 682,979,279 | 239,963,410 | 283,995,842 | 359,576,363 |
| — | 763,700 | 476,777 | 3,179,836 |
| (356,781,148) | (554,119) | (43,469,483) | (120,244,775) |
| 43,689,632 | 37,770,334 | 16,123,376 | 19,775,479 |
| \$ 369,887,763 | \$277,943,325 | \$257,126,512 | \$262,286,903 |
| \$10.33 | \$11.61 | \$9.48 | \$7.66 |
| \$9.87 | \$11.06 | \$9.40 | \$7.56 |
| \$9.87 | \$11.10 | \$9.42 | \$7.56 |
| \$10.52 | \$11.84 | \$9.47 | \$7.80 |
| \$10.26 | \$11.53 | \$9.50 | \$7.70 |
| 12,323,043 | 7,696,496 | 8,427,297 | 12,409,940 |
| 9,231,268 | 1,754,223 | 1,922,793 | 737,344 |
| 3,703,207 | 1,483,777 | 1,465,514 | 482,151 |
| 10,883,074 | 9,452,766 | 15,315,428 | 20,251,099 |
| 39,949 | 3,537,915 | 34,435 | 3,993 |
| 36,180,541 | 23,925,177 | 27,165,467 | 33,884,527 |

Statements of Operations

For the Year Ended August 31, 2003

CORE U.S.
Equity Fund

Investment income:

| | |
|---|------------------|
| Dividends ^(a) | \$ 9,829,574 |
| Interest (including securities lending income of \$11,069, \$9,940, \$194,310, \$5,920 and \$213,438, respectively) | 20,583 |
| Total income | 9,850,157 |

Expenses:

| | |
|--|------------------|
| Management fees | 4,637,859 |
| Distribution and Service fees ^(b) | 2,319,544 |
| Transfer Agent fees ^(b) | 964,895 |
| Custody and accounting fees | 162,651 |
| Registration fees | 67,631 |
| Printing fees | 53,706 |
| Professional fees | 45,287 |
| Service share fees | 33,081 |
| Trustee fees | 10,826 |
| Other | 114,370 |
| Total expenses | 8,409,850 |
| Less — expense reductions | (701,132) |
| Net expenses | 7,708,718 |
| NET INVESTMENT INCOME (LOSS) | 2,141,439 |

Realized and unrealized gain (loss) on investment, futures and foreign currency transactions:

| | |
|--|----------------------|
| Net realized gain (loss) from: | |
| Investment transactions | (45,725,590) |
| Futures transactions | 124,396 |
| Foreign currency related transactions | (35) |
| Net change in unrealized gain (loss) on: | |
| Investments | 109,340,991 |
| Futures | 154,585 |
| Translation of assets and liabilities denominated in foreign currencies | — |
| Net realized and unrealized gain on investment, futures and foreign currency transactions | 63,894,347 |
| NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS | \$ 66,035,786 |

(a) For the CORE U.S. Equity, CORE Large Cap Growth, CORE Small Cap Equity, CORE Large Cap Value and CORE International Equity Funds, foreign taxes withheld on dividends were \$3,235, \$9,786, \$1,255, \$2,518 and \$670,081 respectively.

(b) Class specific Distribution and Service and Transfer Agent fees were as follows:

| Fund | Distribution and Service Fees | | | Transfer Agent Fees | | | | |
|--------------------------------|-------------------------------|-------------|-----------|---------------------|-----------|----------|---------------|---------|
| | Class A | Class B | Class C | Class A | Class B | Class C | Institutional | Service |
| CORE U.S. Equity Fund | \$821,357 | \$1,153,400 | \$344,787 | \$624,231 | \$219,146 | \$65,510 | \$53,362 | \$2,646 |
| CORE Large Cap Growth Fund | 310,676 | 891,678 | 365,173 | 236,114 | 169,419 | 69,383 | 44,761 | 147 |
| CORE Small Cap Equity Fund | 179,960 | 158,624 | 120,424 | 136,770 | 30,139 | 22,880 | 33,490 | 11,593 |
| CORE Large Cap Value Fund | 172,010 | 171,821 | 119,700 | 130,727 | 32,646 | 22,743 | 40,851 | 112 |
| CORE International Equity Fund | 380,968 | 55,226 | 35,978 | 144,768 | 10,493 | 6,836 | 55,231 | 10 |

| CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| \$ 3,973,394 | \$ 3,144,684 | \$ 4,456,255 | \$ 5,871,537 |
| 17,687 | 231,444 | 23,872 | 306,241 |
| 3,991,081 | 3,376,128 | 4,480,127 | 6,177,778 |
| 2,716,707 | 1,807,072 | 1,202,179 | 1,899,042 |
| 1,567,527 | 459,008 | 463,531 | 472,172 |
| 519,824 | 234,872 | 227,079 | 217,338 |
| 135,923 | 215,850 | 117,510 | 424,856 |
| 64,350 | 79,535 | 61,725 | 85,389 |
| 53,706 | 53,706 | 53,706 | 30,783 |
| 41,941 | 38,857 | 38,791 | 47,138 |
| 1,838 | 144,907 | 1,405 | 121 |
| 10,826 | 10,826 | 10,826 | 10,826 |
| 109,956 | 82,239 | 81,091 | 67,106 |
| 5,222,598 | 3,126,872 | 2,257,843 | 3,254,771 |
| (472,710) | (372,998) | (221,513) | (377,865) |
| 4,749,888 | 2,753,874 | 2,036,330 | 2,876,906 |
| (758,807) | 622,254 | 2,443,797 | 3,300,872 |
| (23,585,315) | 2,865,904 | (21,361,450) | (32,922,637) |
| (233,891) | 212,774 | 1,345,060 | (1,157,164) |
| (288) | — | (25) | (47,416) |
| 70,867,688 | 47,308,660 | 35,826,733 | 40,911,754 |
| 93,312 | 408,300 | 78,317 | 177,767 |
| — | — | — | (63,397) |
| 47,141,506 | 50,795,638 | 15,888,635 | 6,898,907 |
| \$ 46,382,699 | \$ 51,417,892 | \$ 18,332,432 | \$ 10,199,779 |

Statements of Changes in Net Assets

For the Year Ended August 31, 2003

CORE U.S.
Equity Fund

From operations:

| | |
|---|-------------------|
| Net investment income (loss) | \$ 2,141,439 |
| Net realized gain (loss) on investment, futures and foreign currency related transactions | (45,601,229) |
| Net change in unrealized gain (loss) on investments, futures and translation of assets and liabilities denominated in foreign currencies | 109,495,576 |
| Net increase in net assets resulting from operations | 66,035,786 |

Distributions to shareholders:

| | |
|--|------------------|
| From net investment income | |
| Class A Shares | (161,846) |
| Class B Shares | — |
| Class C Shares | — |
| Institutional Shares | (713,755) |
| Service Shares | — |
| Total distributions to shareholders | (875,601) |

From share transactions:

| | |
|--|---------------------|
| Proceeds from sales of shares | 92,807,449 |
| Reinvestment of dividends and distributions | 799,387 |
| Cost of shares repurchased | (186,704,034) |
| Net increase (decrease) in net assets resulting from share transactions | (93,097,198) |
| TOTAL INCREASE (DECREASE) | (27,937,013) |

Net assets:

| | |
|--|---------------------|
| Beginning of year | 674,323,044 |
| End of year | \$ 646,386,031 |
| Accumulated undistributed net investment income | \$ 2,140,445 |

| CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| \$ (758,807) | \$ 622,254 | \$ 2,443,797 | \$ 3,300,872 |
| (23,819,494) | 3,078,678 | (20,016,415) | (34,127,217) |
| 70,961,000 | 47,716,960 | 35,905,050 | 41,026,124 |
| 46,382,699 | 51,417,892 | 18,332,432 | 10,199,779 |
| — | — | (760,830) | (583,742) |
| — | — | (63,736) | (1,890) |
| — | — | (46,194) | (3,485) |
| — | — | (1,461,808) | (1,881,591) |
| — | — | (2,220) | (153) |
| — | — | (2,334,788) | (2,470,861) |
| 78,268,855 | 150,015,522 | 102,401,100 | 308,970,130 |
| — | — | 2,305,127 | 2,429,158 |
| (167,942,169) | (95,544,530) | (80,304,702) | (328,519,109) |
| (89,673,314) | 54,470,992 | 24,401,525 | (17,119,821) |
| (43,290,615) | 105,888,884 | 40,399,169 | (9,390,903) |
| 413,178,378 | 172,054,441 | 216,727,343 | 271,677,806 |
| \$ 369,887,763 | \$277,943,325 | \$257,126,512 | \$ 262,286,903 |
| \$ — | \$ 763,700 | \$ 476,777 | \$ 3,179,836 |

Statements of Changes in Net Assets

For the Year Ended August 31, 2002

CORE U.S.
Equity Fund

From operations:

| | |
|---|----------------------|
| Net investment income (loss) | \$ 874,776 |
| Net realized loss on investment, futures and foreign currency related transactions | (85,348,390) |
| Net change in unrealized gain (loss) on investments, futures and translation of assets and liabilities denominated in foreign currencies | (62,940,598) |
| Net decrease in net assets resulting from operations | (147,414,212) |

Distributions to shareholders:

| | |
|---|----------|
| From net investment income | |
| Class A Shares | — |
| Class B Shares | — |
| Class C Shares | — |
| Institutional Shares | — |
| Service Shares | — |
| From net realized gain on investment, futures and foreign currency transactions | |
| Class A Shares | — |
| Class B Shares | — |
| Class C Shares | — |
| Institutional Shares | — |
| Service Shares | — |
| Total distributions to shareholders | — |

From share transactions:

| | |
|--|----------------------|
| Proceeds from sales of shares | 120,643,988 |
| Reinvestment of dividends and distributions | — |
| Cost of shares repurchased | (264,243,996) |
| Net increase (decrease) in net assets resulting from share transactions | (143,600,008) |
| TOTAL INCREASE (DECREASE) | (291,014,220) |

Net assets:

| | |
|---|-------------------|
| Beginning of year | 965,337,264 |
| End of year | \$ 674,323,044 |
| Accumulated undistributed net investment income (loss) | \$ 874,642 |

| CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| \$ (2,667,283) | \$ 51,041 | \$ 2,074,762 | \$ 2,756,780 |
| (171,530,942) | (3,261,342) | (19,982,889) | (49,206,800) |
| 51,331,295 | (10,532,927) | (23,355,896) | 5,153,181 |
| (122,866,930) | (13,743,228) | (41,264,023) | (41,296,839) |
| — | — | (609,972) | — |
| — | — | (15,796) | — |
| — | — | (9,881) | — |
| — | (177,423) | (1,390,852) | (587,486) |
| — | (492) | (481) | — |
| (717,345) | (1,722,310) | — | — |
| (524,302) | (690,186) | — | — |
| (245,243) | (358,872) | — | — |
| (565,762) | (1,865,669) | — | — |
| (3,337) | (10,923) | — | — |
| (2,055,989) | (4,825,875) | (2,026,982) | (587,486) |
| 122,213,184 | 135,419,648 | 106,003,731 | 162,433,894 |
| 1,839,119 | 4,482,506 | 1,999,623 | 587,439 |
| (280,854,240) | (87,376,542) | (107,896,732) | (263,719,924) |
| (156,801,937) | 52,525,612 | 106,622 | (100,698,591) |
| (281,724,856) | 33,956,509 | (43,184,383) | (142,582,916) |
| 694,903,234 | 138,097,932 | 259,911,726 | 414,260,722 |
| \$ 413,178,378 | \$172,054,441 | \$ 216,727,343 | \$ 271,677,806 |
| \$ (881) | \$ 137,162 | \$ 368,254 | \$ 2,397,241 |

Notes to Financial Statements

August 31, 2003

1. ORGANIZATION

Goldman Sachs Trust (the “Trust”) is a Delaware statutory trust registered under the Investment Company Act of 1940 (as amended) as an open-end management investment company. The Trust includes the CORE U.S. Equity Fund, CORE Large Cap Growth Fund, CORE Small Cap Equity Fund, CORE Large Cap Value Fund and the CORE International Equity Fund, collectively the “Funds” or individually a “Fund.” Each Fund is a diversified portfolio offering five classes of shares — Class A, Class B, Class C, Institutional and Service.

2. SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies consistently followed by the Funds. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that may affect the reported amounts. Actual results could differ from those estimates.

A. Investment Valuation — Investments in securities traded on a U.S. or foreign securities exchange or the Nasdaq system are valued daily at their last sale price or official closing price on the principal exchange or system on which they are traded. If no sale occurs, securities are valued at the last bid price. Debt securities are valued at prices supplied by independent pricing services, broker/dealer-supplied valuations or matrix pricing systems. Unlisted equity and debt securities for which market quotations are available are valued at the last sale price on valuation date, or if no sale occurs, at the last bid price. Short-term debt obligations maturing in sixty days or less are valued at amortized cost, which approximates market value. In addition, the impact of events that occur after the publication of market quotations used by a Fund to price its securities but before the close of regular trading on the New York Stock Exchange will not be reflected in a Fund’s next determined NAV unless the Trust, in its discretion, determines to make an adjustment in light of the nature and significance of the event, consistent with applicable regulatory guidance. Securities for which quotations are not readily available are valued at fair value using methods approved by the Trust’s Board of Trustees.

Investing in foreign markets may involve special risks and considerations not typically associated with investing in the United States. These risks include revaluation of currencies, high rates of inflation, repatriation restrictions on income and capital, and adverse political and economic developments. Moreover, securities issued in these markets may be less liquid, subject to government ownership controls, delayed settlements, and their prices may be more volatile than those of comparable securities in the United States.

B. Security Transactions and Investment Income — Security transactions are recorded as of the trade date. Realized gains and losses on sales of portfolio securities are calculated using the identified-cost basis. Dividend income is recorded on the ex-dividend date, net of foreign taxes where applicable. Certain dividends from foreign securities may be recorded subsequent to the ex-dividend date as soon as the Fund is informed of such dividends. Interest income is recorded on the basis of interest accrued, premium amortized and discount accreted.

Net investment income (other than class-specific expenses) and unrealized and realized gains or losses are allocated daily to each class of shares of the Funds based upon the relative proportion of net assets of each class.

C. Federal Taxes — It is each Fund’s policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute each year substantially all of its investment company taxable income and capital gains to its shareholders. Accordingly, no federal tax provisions are required. Dividends and distributions to shareholders are recorded on ex-dividend date. Income distributions, if any, are declared and paid quarterly for CORE Large Cap Value Fund and annually for all other Funds. Capital gains distributions, if any, are declared and paid annually.

The characterization of distributions to shareholders for financial reporting purposes is determined in accordance with income tax rules. Therefore, the source of each Fund’s distributions may be shown in the accompanying financial statements as either from net investment income or net realized gain on investment transactions, or from paid-in capital, depending on the type of book/tax differences that may exist.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Expenses — Expenses incurred by the Trust that do not specifically relate to an individual Fund of the Trust are allocated to the Funds on a straight-line or pro rata basis depending upon the nature of the expense.

Class A, Class B and Class C Shares bear all expenses and fees relating to their respective Distribution and Service plans. Service Shares bear all expenses and fees relating to their Service and Shareholder Administration Plans. Each class of shares of the Funds separately bears its respective class-specific transfer agency fees.

E. Foreign Currency Translations — The books and records of the Funds are maintained in U.S. dollars. Amounts denominated in foreign currencies are translated into U.S. dollars on the following basis: (i) investment valuations, foreign currency and other assets and liabilities initially expressed in foreign currencies are converted each business day into U.S. dollars based upon current exchange rates; and (ii) purchases and sales of foreign investments, income and expenses are converted into U.S. dollars based upon currency exchange rates prevailing on the respective dates of such transactions.

Net realized and unrealized gain (loss) on foreign currency transactions will represent: (i) foreign exchange gains and losses from the sale and holdings of foreign currencies; (ii) currency gains and losses between trade date and settlement date on investment securities transactions and forward exchange contracts; and (iii) gains and losses from the difference between amounts of dividends, interest and foreign withholding taxes recorded and the amounts actually received. The effect of changes in foreign currency exchange rates on securities and derivative instruments are not segregated in the Statements of Operations from the effects of changes in market prices of those securities and derivative instruments, but are included with the net realized and unrealized gain or loss on securities and derivative instruments. Net unrealized foreign exchange gains and losses arising from changes in the value of other assets and liabilities as a result of changes in foreign exchange rates are included as increases and decreases in unrealized appreciation/depreciation on foreign currency related transactions.

F. Segregation Transactions — The Funds may enter into certain derivative transactions. Forward foreign currency exchange contracts, futures contracts, written options, when-issued securities and forward commitments represent examples of such transactions. As a result of entering into these transactions, the Funds are required to segregate liquid assets on the accounting records equal to or greater than the market value of the corresponding transactions.

G. Repurchase Agreements — Repurchase agreements involve the purchase of securities subject to the seller's agreement to repurchase them at a mutually agreed upon date and price. During the term of a repurchase agreement, the value of the underlying securities held as collateral on behalf of the Funds, including accrued interest, is required to equal or exceed the value of the repurchase agreement, including accrued interest. The underlying securities for all repurchase agreements are held in safekeeping at each Fund's custodian or designated subcustodians under triparty repurchase agreements.

Notes to Financial Statements (continued)

August 31, 2003

3. AGREEMENTS

Goldman Sachs Funds Management, L.P. (“GSFM”), a subsidiary of The Goldman Sachs Group, Inc., was renamed Goldman Sachs Asset Management, L.P. (“GSAM”), effective at the end of April 2003 and assumed Goldman, Sachs & Co.’s (“Goldman Sachs”) investment advisory responsibilities under its Investment Management Agreement (the “Agreement”) with the Trust on behalf of the Funds. The fees payable under the Agreement, and the personnel who manage the Funds, did not change as a result of GSAM’s assumption of responsibilities. Under the Agreement GSAM manages the Funds, subject to the general supervision of the Trust’s Board of Trustees.

As compensation for the services rendered pursuant to the Agreement, the assumption of the expenses related thereto and administering the Funds’ business affairs, including providing facilities, GSAM is entitled to a fee (“Management Fee”) computed daily and payable monthly, equal to an annual percentage rate of each Funds’ average daily net assets.

For the year ended August 31, 2003, GSAM has voluntarily agreed to waive a portion of its Management Fee for the CORE U.S. Equity and CORE Large Cap Growth Funds, equal to an annual percentage rate of each Fund’s average daily net assets. GSAM may discontinue or modify these waivers in the future at its discretion.

Additionally, GSAM has voluntarily agreed to limit certain “Other Expenses” (excluding Management Fees, Distribution and Service Fees, Transfer Agent fees, taxes, interest, brokerage, litigation, Service Share fees, indemnification, shareholder meeting and extraordinary expenses) to the extent that such expenses exceed, on an annual basis, a percentage rate of the average daily net assets of each Fund.

For the year ended August 31, 2003, the Funds’ Management Fees, Management Fee waivers and expense limitations (rounded) as an annual percentage rate of average daily net assets were as follows:

| Fund | Management Fee | | Other Expense Limit |
|---------------------------|-------------------------|--------------------|---------------------|
| | Contractual Annual Rate | Waiver Annual Rate | |
| CORE U.S. Equity | 0.75% | 0.05% | 0.00% |
| CORE Large Cap Growth | 0.75 | 0.05 | 0.02 |
| CORE Small Cap Equity | 0.85 | — | 0.04 |
| CORE Large Cap Value | 0.60 | — | 0.06 |
| CORE International Equity | 0.85 | — | 0.12 |

The Trust, on behalf of each Fund, has adopted Distribution and Service Plans (the “Plans”). Under the Plans, Goldman Sachs and/or Authorized Dealers are entitled to a monthly fee for distribution services equal, on an annual basis, to 0.25%, 0.75% and 0.75% of the Funds’ average daily net assets attributable to Class A, Class B and Class C Shares, respectively. Additionally, under the Plans, Goldman Sachs and/or Authorized Dealers are entitled to receive a separate fee for personal and account maintenance services equal to, on an annual basis, 0.25% of the Funds’ average daily net assets attributable to Class A (CORE International Equity Fund only), Class B and Class C Shares.

3. AGREEMENTS (continued)

Goldman Sachs serves as the distributor of shares of the Funds pursuant to Distribution Agreements. Goldman Sachs may retain a portion of the Class A front end sales load and Class B and Class C contingent deferred sales charge. During the year ended August 31, 2003, Goldman Sachs advised the Funds that it retained approximately the following amounts:

| Fund | Sales Load | Contingent Deferred Sales Charge | |
|---------------------------|------------|----------------------------------|---------|
| | Class A | Class B | Class C |
| CORE U.S. Equity | \$182,300 | \$100 | \$ 400 |
| CORE Large Cap Growth | 16,500 | 600 | — |
| CORE Small Cap Equity | 29,600 | — | 200 |
| CORE Large Cap Value | 20,400 | 100 | 300 |
| CORE International Equity | 187,000 | 100 | — |

Goldman Sachs also serves as the transfer agent of the Funds for a fee. Fees charged for such transfer agency services are calculated daily and payable monthly at an annual rate as follows: 0.19% of the average daily net assets for Class A, Class B and Class C Shares and 0.04% of the average daily net assets for Institutional and Service Shares.

The Trust, on behalf of each Fund, has adopted a Service Plan and Shareholder Administration Plan. These plans allow for Service Shares to compensate service organizations for providing varying levels of personal and account administration and shareholder administration services to their customers who are beneficial owners of such shares. The Service Plan and Shareholder Administration Plan provide for compensation to the service organizations in an amount up to 0.25% and 0.25%, respectively, (on an annualized basis) of the average daily net assets of the Service Shares.

For the year ended August 31, 2003, the Funds' adviser has voluntarily agreed to waive certain fees and reimburse other expenses. In addition, the Funds have entered into certain offset arrangements with the custodian resulting in a reduction in the Funds' expenses. These expense reductions were as follows (in thousands):

| Fund | Management Fee Waiver | Reimbursement | Custody Credit | Total Expense Reductions |
|---------------------------|-----------------------|---------------|----------------|--------------------------|
| CORE U.S. Equity | \$309 | \$392 | \$— | \$701 |
| CORE Large Cap Growth | 181 | 292 | — | 473 |
| CORE Small Cap Equity | — | 372 | 1 | 373 |
| CORE Large Cap Value | — | 222 | — | 222 |
| CORE International Equity | — | 377 | 1 | 378 |

At August 31, 2003, the amounts owed to affiliates were as follows (in thousands):

| Fund | Management Fees | Distribution and Service Fees | Transfer Agent Fees | Total |
|---------------------------|-----------------|-------------------------------|---------------------|-------|
| CORE U.S. Equity | \$376 | \$202 | \$85 | \$663 |
| CORE Large Cap Growth | 213 | 132 | 44 | 389 |
| CORE Small Cap Equity | 189 | 47 | 24 | 260 |
| CORE Large Cap Value | 127 | 43 | 22 | 192 |
| CORE International Equity | 186 | 47 | 22 | 255 |

Notes to Financial Statements (continued)

August 31, 2003

4. PORTFOLIO SECURITIES TRANSACTIONS

The cost of purchases and proceeds of sales and maturities of securities (excluding short-term investments and futures transactions) for the year ended August 31, 2003, were as follows:

| Fund | Purchases | Sales and Maturities |
|---------------------------|---------------|----------------------|
| CORE U.S. Equity | \$455,027,374 | \$540,952,566 |
| CORE Large Cap Growth | 431,419,898 | 521,518,697 |
| CORE Small Cap Equity | 361,612,485 | 314,061,371 |
| CORE Large Cap Value | 227,874,673 | 203,894,675 |
| CORE International Equity | 265,622,220 | 288,734,641 |

For the year ended August 31, 2003, Goldman Sachs earned approximately \$7,000, \$5,000, \$14,000, \$38,000 and \$86,000 of brokerage commissions from portfolio transactions, including futures transactions, executed on behalf of the CORE U.S. Equity, CORE Large Cap Growth, CORE Small Cap Equity, CORE Large Cap Value and CORE International Equity Funds, respectively.

Forward Foreign Currency Exchange Contracts — The CORE International Equity Fund may enter into forward foreign currency exchange contracts for the purchase or sale of a specific foreign currency at a fixed price on a future date as a hedge or cross-hedge against either specific transactions or portfolio positions. The CORE International Equity Fund may also purchase and sell such contracts to seek to increase total return. All commitments are “marked-to-market” daily at the applicable translation rates and any resulting unrealized gains or losses are recorded in the Fund’s financial statements. The Fund realizes gains or losses at the time a forward contract is offset by entry into a closing transaction or extinguished by delivery of the currency. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. As of August 31, 2003, there were no open forward currency contracts outstanding.

Futures Contracts — The Funds may enter into futures transactions to hedge against changes in interest rates, securities prices, currency exchange rates or (for CORE International Equity Fund only) to seek to increase total return. Futures contracts are valued at the last settlement price at the end of each day on the board of trade or exchange upon which they are traded. Upon entering into a futures contract, the Funds are required to deposit with a broker or the Funds’ custodian bank an amount of cash or securities equal to the minimum “initial margin” requirement of the associated futures exchange. Subsequent payments for futures contracts (“variation margin”) are paid or received by the Funds, depending on the fluctuations in the value of the contracts, and are recorded for financial reporting purposes as unrealized gains or losses. When contracts are closed, the Funds realize a gain or loss which is reported in the Statement of Operations.

The use of futures contracts involve, to varying degrees, elements of market risk which may exceed the amounts recognized in the Statements of Assets and Liabilities. Changes in the value of the futures contract may not directly correlate

4. PORTFOLIO SECURITIES TRANSACTIONS (continued)

with changes in the value of the underlying securities. This risk may decrease the effectiveness of the Funds' hedging strategies and potentially result in a loss. At August 31, 2003, open futures contracts were as follows:

| Fund | Type | Number of Contracts Long | Settlement Month | Market Value | Unrealized Gain (Loss) |
|---------------------------|----------------------|--------------------------------|---------------------|---------------------|---------------------------|
| CORE U.S. Equity | S&P Mini 500 Index | 1 | September 2003 | \$50,385 | \$845 |
| CORE Large Cap Growth | S&P Mini 500 Index | 38 | September 2003 | \$1,914,630 | \$21,185 |
| CORE Small Cap Equity | Russell 2000 Index | 208 | September 2003 | \$10,346,960 | \$402,060 |
| CORE Large Cap Value | S&P Mini 500 Index | 70 | September 2003 | \$3,526,950 | \$47,512 |
| CORE International Equity | FTSE 100 Index | 56 | September 2003 | \$3,678,067 | \$(18,593) |
| | SPI 200 Index | 19 | September 2003 | 972,419 | 9,417 |
| | HKFE Index | 4 | September 2003 | 279,510 | 4,096 |
| | TOPIX Index | 35 | September 2003 | 3,020,748 | 51,337 |
| | MIB 30 Index | 3 | September 2003 | 415,863 | 4,123 |
| | EURX DAX Index | 4 | September 2003 | 379,540 | (3,074) |
| | EURX ER STX 50 Index | 116 | September 2003 | 3,234,040 | 27,414 |
| | CAC40-10EU Index | 10 | September 2003 | 361,272 | 2,860 |
| | IBEX 35 Plus Index | 2 | September 2003 | 155,132 | 1,131 |
| | | | | <u>\$12,496,591</u> | <u>\$78,711</u> |

5. SECURITIES LENDING

Pursuant to exemptive relief granted by the Securities and Exchange Commission ("SEC") and the terms and conditions contained therein, the Funds may lend their securities through their securities lending agent, Boston Global Advisers (BGA) — a wholly owned subsidiary of Goldman Sachs, to certain qualified borrowers including Goldman Sachs. The loans are collateralized at all times with cash and/or securities with a market value at least equal to the securities on loan. As with other extensions of credit, the Funds bear the risk of delay on recovery or loss of rights in the collateral should the borrower of the securities fail financially.

Both the Funds and BGA receive compensation relating to the lending of the Funds' securities. The amounts earned by the Funds for the year ended August 31, 2003, is reported parenthetically on the Statements of Operations. The Funds invest the cash collateral received in connection with securities lending transactions in the Enhanced Portfolio of Boston Global Investment Trust, a Delaware statutory Trust. The Enhanced Portfolio is exempt from registration under Section 3(c)(7) of the Investment Company Act of 1940 and is managed by GSAM, for which GSAM receives an investment advisory fee. The Enhanced Portfolio invests in high quality money market instruments. The Funds bear the risk of incurring a loss from the investment of cash collateral due to either credit or market factors.

Notes to Financial Statements (continued)

August 31, 2003

5. SECURITIES LENDING (continued)

The table below details the following items as of August 31, 2003.

| Fund | Market Value of Securities on loan as of August 31, 2003 | Cash Collateral Received for Loans Outstanding as of August 31, 2003 | Earnings of BGA Relating to Securities Loaned for Year Ended August 31, 2003 | Earnings Received From Lending to Goldman Sachs for Year Ended August 31, 2003 | Amount Payable to Goldman Sachs Upon Return of Securities Loaned as of August 31, 2003 |
|---------------------------|--|--|--|--|--|
| CORE U.S. Equity | \$10,152,808 | \$10,395,400 | \$ 1,953 | \$ 1,203 | \$ — |
| CORE Large Cap Growth | — | — | 1,760 | 1,792 | — |
| CORE Small Cap Equity | 15,043,386 | 15,610,201 | 34,285 | 68,965 | 1,747,400 |
| CORE Large Cap Value | 3,617,888 | 3,767,800 | 1,044 | 695 | — |
| CORE International Equity | 15,794,247 | 16,692,727 | 37,662 | 54,220 | 2,558,023 |

6. LINE OF CREDIT FACILITY

The Funds participate in a \$350,000,000 committed, unsecured revolving line of credit facility. Under the most restrictive arrangement, each Fund must own securities having a market value in excess of 400% of the total bank borrowings. This facility is to be used solely for temporary or emergency purposes. The interest rate on borrowings is based on the Federal Funds rate. This facility also requires a fee to be paid by the Funds based on the amount of the commitment which has not been utilized. During the year ended August 31, 2003, the Funds did not have any borrowings under this facility.

7. JOINT REPURCHASE AGREEMENT ACCOUNT

The Funds, together with other registered investment companies having management agreements with GSAM or its affiliates, transfer uninvested cash into joint accounts, the daily aggregate balance of which is invested in one or more repurchase agreements.

At August 31, 2003, the CORE U.S. Equity and CORE Small Cap Equity Funds had undivided interests in the repurchase agreements in the Joint Account II which equaled \$100,000 and \$8,900,000, respectively, in principal amount. At August 31, 2003, the following repurchase agreements held in this Joint Account were fully collateralized by Federal Agency obligations:

| Repurchase Agreements | Principal Amount | Interest Rate | Maturity Date | Maturity Value |
|--|------------------------|---------------|---------------|------------------------|
| ABN AMRO, Inc. | \$ 400,000,000 | 1.05% | 09/02/2003 | \$ 400,046,667 |
| Banc of America Securities LLC | 800,000,000 | 1.08 | 09/02/2003 | 800,096,000 |
| Barclays Capital PLC | 600,000,000 | 1.05 | 09/02/2003 | 600,070,000 |
| Bear Stearns Companies, Inc. | 300,000,000 | 1.08 | 09/02/2003 | 300,036,000 |
| Credit Suisse First Boston Corp. | 700,000,000 | 1.05 | 09/02/2003 | 700,081,667 |
| Deutsche Bank Securities, Inc. | 1,000,000,000 | 1.07 | 09/02/2003 | 1,000,118,889 |
| Greenwich Capital Markets | 500,000,000 | 1.07 | 09/02/2003 | 500,059,444 |
| J.P. Morgan Chase & Co. | 500,000,000 | 1.08 | 09/02/2003 | 500,060,000 |
| UBS LLC | 859,700,000 | 1.05 | 09/02/2003 | 859,800,298 |
| Westdeutsche Landesbank AG | 500,000,000 | 1.13 | 09/02/2003 | 500,062,500 |
| TOTAL JOINT REPURCHASE AGREEMENT ACCOUNT II | \$6,159,700,000 | | | \$6,160,431,465 |

8. OTHER MATTERS

As of August 31, 2003, Goldman, Sachs & Co. Profit Sharing Master Trust was the beneficial owner of approximately 14% of the outstanding shares of the CORE U.S. Equity Fund. In addition, the following Goldman Sachs Asset Allocation Portfolios were beneficial owners of the Funds with amounts greater than 5% (as a percentage of outstanding shares):

| Fund | Goldman Sachs Balanced Strategy Portfolio | Goldman Sachs Growth and Income Strategy Portfolio | Goldman Sachs Growth Strategy Portfolio | Goldman Sachs Aggressive Growth Strategy Portfolio |
|---------------------------|---|---|---|--|
| CORE Large Cap Growth | —% | 10% | 10% | 6% |
| CORE Small Cap Equity | — | 6 | — | — |
| CORE Large Cap Value | 6 | 19 | 18 | 10 |
| CORE International Equity | 6 | 17 | 18 | 11 |

Notes to Financial Statements (continued)

August 31, 2003

9. ADDITIONAL TAX INFORMATION

The tax character of distributions paid during the fiscal year ended August 31, 2002 was as follows:

| | CORE U.S. Equity Fund | CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|-----------------------------|--------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| Distributions paid from: | | | | | |
| Ordinary income | \$ — | \$ — | \$ 177,915 | \$2,026,982 | \$587,486 |
| Net long-term Capital Gains | — | 2,055,989 | 4,647,960 | — | — |
| Total taxable distributions | \$ — | \$2,055,989 | \$4,825,875 | \$2,026,982 | \$587,486 |

The tax character of distributions paid during the fiscal year ended August 31, 2003 was as follows:

| | CORE U.S. Equity Fund | CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|--------------------------|--------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| Distributions paid from: | | | | | |
| Ordinary income | \$875,601 | \$ — | \$ — | \$2,334,788 | \$2,470,861 |

As of August 31, 2003, the components of accumulated earnings (losses) on a tax basis were as follows:

| | CORE U.S. Equity Fund | CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|---|--------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| Undistributed ordinary income — net | \$ 2,076,524 | \$ — | \$ 2,050,437 | \$ 440,356 | \$ 3,254,621 |
| Undistributed long-term capital gains | — | — | 1,147,897 | — | — |
| Total undistributed earnings | \$ 2,076,524 | \$ — | \$ 3,198,334 | \$ 440,356 | \$ 3,254,621 |
| Capital loss carryforward | (166,451,589) | (345,842,300) | — | (29,146,806) | (98,697,552) |
| Timing differences (post October losses) | (28,989,352) | (5,981,188) | — | (10,557,194) | (20,022,953) |
| Unrealized gains — net | 82,558,615 | 38,731,972 | 34,781,581 | 12,394,314 | 18,176,424 |
| Total accumulated earnings (losses) — net | \$(110,805,802) | \$(313,091,516) | \$37,979,915 | \$(26,869,330) | \$(97,289,460) |
| Capital loss carryforward years of expiration | 2009-2011 | 2010-2011 | — | 2009-2011 | 2009-2011 |

At August 31, 2003, the Funds' aggregate security unrealized gains and losses based on cost for U.S. federal income tax purposes were as follows:

| | CORE U.S. Equity Fund | CORE Large Cap Growth Fund | CORE Small Cap Equity Fund | CORE Large Cap Value Fund | CORE International Equity Fund |
|------------------------------|--------------------------|-------------------------------|-------------------------------|------------------------------|-----------------------------------|
| Tax Cost | \$574,549,387 | \$329,373,022 | \$256,876,548 | \$244,805,375 | \$251,720,248 |
| Gross unrealized gain | 95,122,372 | 43,096,426 | 40,464,242 | 18,855,073 | 24,617,440 |
| Gross unrealized loss | (12,563,757) | (4,364,454) | (5,682,661) | (6,460,759) | (6,493,441) |
| Net unrealized security gain | \$ 82,558,615 | \$ 38,731,972 | \$ 34,781,581 | \$ 12,394,314 | \$ 18,123,999 |

The difference between book-basis and tax-basis unrealized gains (losses) is attributable primarily to wash sales, partnership and passive foreign investment company investments.

10. CERTAIN RECLASSIFICATIONS

In order to account for permanent book/tax differences, certain reclassifications have been recorded to the Funds' accounts. These reclassifications have no impact on the net asset value of the Funds. Reclassifications result primarily from the difference in the tax treatment of real estate investment trusts and net operating losses (CORE Large Cap Growth Fund only).

| Fund | Paid-in Capital | Accumulated Net Realized Loss | Accumulated Undistributed Net Investment Income |
|---------------------------|-----------------|-------------------------------------|--|
| CORE U.S. Equity | \$ — | \$ 35 | \$ (35) |
| CORE Large Cap Growth | (759,975) | 287 | 759,688 |
| CORE Small Cap Equity | (58,109) | 53,825 | 4,284 |
| CORE Large Cap Value | — | 486 | (486) |
| CORE International Equity | — | 47,416 | (47,416) |

Goldman Sachs Trust — CORE Funds Tax Information (Unaudited)

For the year ended August 31, 2003, 100% of the dividends paid from net investment company taxable income by the CORE Large Cap Value and CORE U.S. Equity Funds qualify for the dividends received deduction available to corporations.

From distributions paid during the year ended August 31, 2003, the total amount of income received by the CORE International Equity Fund from sources within foreign countries and possessions of the United States was \$0.0979 per share, all of which is attributable to qualified passive income. The total amount of taxes paid by the Fund to such countries was \$0.0235 per share. A separate notice containing the country-by-country components of these totals has been previously mailed to shareholders.

The CORE Large Cap Value Fund designates 100% of the dividends it paid during 2003 from net investment company taxable income as qualifying for the reduced tax rate under the Jobs and Growth Tax Relief and Reconciliation Act of 2003.

Notes to Financial Statements (continued)

August 31, 2003

11. SUMMARY OF SHARE TRANSACTIONS

Share activity for the year ended August 31, 2003, is as follows:

| | CORE U.S. Equity Fund | |
|---|-----------------------|----------------|
| | Shares | Dollars |
| Class A Shares | | |
| Shares sold | 3,087,596 | \$ 62,010,493 |
| Reinvestment of dividends and distributions | 7,828 | 155,735 |
| Shares repurchased | (4,411,640) | (87,960,392) |
| | (1,316,216) | (25,794,164) |
| Class B Shares | | |
| Shares sold | 433,558 | 8,258,056 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (1,479,043) | (27,825,369) |
| | (1,045,485) | (19,567,313) |
| Class C Shares | | |
| Shares sold | 420,996 | 7,937,349 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (595,065) | (11,274,135) |
| | (174,069) | (3,336,786) |
| Institutional Shares | | |
| Shares sold | 630,052 | 12,573,691 |
| Reinvestment of dividends and distributions | 31,817 | 643,652 |
| Shares repurchased | (2,890,415) | (58,045,255) |
| | (2,228,546) | (44,827,912) |
| Service Shares | | |
| Shares sold | 99,435 | 2,027,860 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (78,594) | (1,598,883) |
| | 20,841 | 428,977 |
| NET INCREASE (DECREASE) | (4,743,475) | \$(93,097,198) |

| CORE Large Cap Growth Fund | | CORE Small Cap Equity Fund | | CORE Large Cap Value Fund | | CORE International Equity Fund | |
|----------------------------|----------------|----------------------------|---------------|---------------------------|---------------|--------------------------------|-----------------|
| Shares | Dollars | Shares | Dollars | Shares | Dollars | Shares | Dollars |
| 2,639,616 | \$ 23,913,318 | 5,965,382 | \$ 56,218,709 | 4,188,716 | \$ 36,556,088 | 37,359,241 | \$ 251,857,397 |
| — | — | — | — | 89,257 | 746,740 | 80,827 | 544,773 |
| (5,720,122) | (51,466,060) | (4,361,711) | (41,065,114) | (4,600,724) | (38,949,623) | (34,878,560) | (235,713,625) |
| (3,080,506) | (27,552,742) | 1,603,671 | 15,153,595 | (322,751) | (1,646,795) | 2,561,508 | 16,688,545 |
| 648,829 | 5,646,123 | 321,097 | 3,030,601 | 328,649 | 2,779,219 | 78,166 | 520,337 |
| — | — | — | — | 6,321 | 52,682 | 251 | 1,674 |
| (2,879,845) | (24,618,311) | (442,436) | (3,881,003) | (583,624) | (4,837,619) | (229,499) | (1,526,567) |
| (2,231,016) | (18,972,188) | (121,339) | (850,402) | (248,654) | (2,005,718) | (151,082) | (1,004,556) |
| 265,148 | 2,289,317 | 846,504 | 7,570,524 | 552,068 | 4,674,944 | 1,694,375 | 10,932,704 |
| — | — | — | — | 5,052 | 42,283 | 413 | 2,759 |
| (1,334,060) | (11,442,287) | (639,128) | (5,573,085) | (534,728) | (4,477,996) | (1,759,506) | (11,454,438) |
| (1,068,912) | (9,152,970) | 207,376 | 1,997,439 | 22,392 | 239,231 | (64,718) | (518,975) |
| 5,193,493 | 46,351,526 | 7,382,411 | 70,234,024 | 6,514,254 | 58,333,281 | 6,480,695 | 45,649,692 |
| — | — | — | — | 174,929 | 1,461,507 | 274,824 | 1,879,799 |
| (8,623,651) | (80,302,355) | (3,993,280) | (36,867,839) | (3,804,394) | (31,999,698) | (11,705,947) | (79,824,479) |
| (3,430,158) | (33,950,829) | 3,389,131 | 33,366,185 | 2,884,789 | 27,795,090 | (4,950,428) | (32,294,988) |
| 7,605 | 68,571 | 1,320,718 | 12,961,664 | 6,704 | 57,568 | 1,477 | 10,000 |
| — | — | — | — | 229 | 1,915 | 22 | 153 |
| (13,103) | (113,156) | (900,282) | (8,157,489) | (4,591) | (39,766) | — | — |
| (5,498) | (44,585) | 420,436 | 4,804,175 | 2,342 | 19,717 | 1,499 | 10,153 |
| (9,816,090) | \$(89,673,314) | 5,499,275 | \$ 54,470,992 | 2,338,118 | \$ 24,401,525 | (2,603,221) | \$ (17,119,821) |

Notes to Financial Statements (continued)

August 31, 2003

11. SUMMARY OF SHARE TRANSACTIONS (continued)

Share activity for the year ended August 31, 2002, is as follows:

| | CORE U.S. Equity Fund | |
|---|-----------------------|-----------------|
| | Shares | Dollars |
| Class A Shares | | |
| Shares sold | 2,547,459 | \$ 59,138,568 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (5,056,299) | (115,103,801) |
| | (2,508,840) | (55,965,233) |
| Class B Shares | | |
| Shares sold | 630,203 | 14,085,965 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (1,911,110) | (41,516,225) |
| | (1,280,907) | (27,430,260) |
| Class C Shares | | |
| Shares sold | 523,880 | 11,726,091 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (605,408) | (13,228,246) |
| | (81,528) | (1,502,155) |
| Institutional Shares | | |
| Shares sold | 1,414,155 | 33,825,853 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (3,820,226) | (91,932,086) |
| | (2,406,071) | (58,106,233) |
| Service Shares | | |
| Shares sold | 84,818 | 1,867,511 |
| Reinvestment of dividends and distributions | — | — |
| Shares repurchased | (105,687) | (2,463,638) |
| | (20,869) | (596,127) |
| NET INCREASE (DECREASE) | (6,298,215) | \$(143,600,008) |

| CORE Large Cap Growth Fund | | CORE Small Cap Equity Fund | | CORE Large Cap Value Fund | | CORE International Equity Fund | |
|----------------------------|-----------------|----------------------------|---------------|---------------------------|---------------|--------------------------------|-----------------|
| Shares | Dollars | Shares | Dollars | Shares | Dollars | Shares | Dollars |
| 4,573,763 | \$ 48,534,983 | 4,361,439 | \$ 45,757,722 | 3,813,690 | \$ 37,746,654 | 15,672,306 | \$ 122,252,523 |
| 57,631 | 684,284 | 146,630 | 1,533,751 | 60,979 | 600,811 | — | — |
| (10,664,123) | (114,758,914) | (3,145,023) | (33,340,812) | (3,840,422) | (37,405,928) | (18,833,352) | (148,075,246) |
| (6,032,729) | (65,539,647) | 1,363,046 | 13,950,661 | 34,247 | 941,537 | (3,161,046) | (25,822,723) |
| 954,962 | 10,224,971 | 725,453 | 7,420,775 | 626,586 | 6,108,801 | 102,966 | 798,242 |
| 39,755 | 456,242 | 61,105 | 617,160 | 1,228 | 12,840 | — | — |
| (4,535,144) | (46,448,316) | (482,630) | (4,775,981) | (613,506) | (5,845,248) | (248,677) | (1,919,757) |
| (3,540,427) | (35,767,103) | 303,928 | 3,261,954 | 14,308 | 276,393 | (145,711) | (1,121,515) |
| 762,309 | 8,290,373 | 652,079 | 6,685,030 | 548,817 | 5,391,549 | 158,419 | 1,226,421 |
| 16,651 | 191,321 | 29,367 | 297,494 | 838 | 8,772 | — | — |
| (2,938,219) | (30,356,748) | (268,741) | (2,680,157) | (591,113) | (5,691,242) | (227,905) | (1,746,970) |
| (2,159,259) | (21,875,054) | 412,705 | 4,302,367 | (41,458) | (290,921) | (69,486) | (520,549) |
| 5,117,636 | 54,878,112 | 4,358,855 | 47,983,288 | 5,555,813 | 56,504,883 | 4,782,363 | 38,156,708 |
| 41,971 | 504,073 | 190,820 | 2,022,686 | 140,548 | 1,376,983 | 73,614 | 587,439 |
| (8,206,162) | (88,287,352) | (4,324,495) | (46,057,131) | (6,134,246) | (58,951,515) | (13,960,909) | (111,977,951) |
| (3,046,555) | (32,905,167) | 225,180 | 3,948,843 | (437,885) | (1,069,649) | (9,104,932) | (73,233,804) |
| 25,586 | 284,745 | 3,152,781 | 27,572,833 | 26,974 | 251,844 | — | — |
| 271 | 3,199 | 1,098 | 11,415 | 23 | 217 | — | — |
| (95,264) | (1,002,910) | (55,430) | (522,461) | (335) | (2,799) | — | — |
| (69,407) | (714,966) | 3,098,449 | 27,061,787 | 26,662 | 249,262 | — | — |
| (14,848,377) | \$(156,801,937) | 5,403,308 | \$ 52,525,612 | (404,126) | \$ 106,622 | (12,481,175) | \$(100,698,591) |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | | Income (loss) from investment operations | | | Distributions to shareholders | | | |
|---|---|---|---|--|----------------------------------|---|-------------------------------|------------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | In excess of net investment income | From net realized gains | Total distributions |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | | |
| 2003 - Class A Shares | \$20.18 | \$ 0.09 ^(c) | \$ 2.31 | \$ 2.40 | \$(0.01) | \$ — | \$ — | \$(0.01) |
| 2003 - Class B Shares | 19.28 | (0.06) ^(c) | 2.20 | 2.14 | — | — | — | — |
| 2003 - Class C Shares | 19.20 | (0.06) ^(c) | 2.20 | 2.14 | — | — | — | — |
| 2003 - Institutional Shares | 20.57 | 0.17 ^(c) | 2.37 | 2.54 | (0.11) | — | — | (0.11) |
| 2003 - Service Shares | 20.03 | 0.07 ^(c) | 2.30 | 2.37 | — | — | — | — |
| | | | | | | | | |
| 2002 - Class A Shares | 24.30 | 0.04 ^(c) | (4.16) | (4.12) | — | — | — | — |
| 2002 - Class B Shares | 23.39 | (0.13) ^(c) | (3.98) | (4.11) | — | — | — | — |
| 2002 - Class C Shares | 23.29 | (0.12) ^(c) | (3.97) | (4.09) | — | — | — | — |
| 2002 - Institutional Shares | 24.68 | 0.14 ^(c) | (4.25) | (4.11) | — | — | — | — |
| 2002 - Service Shares | 24.15 | 0.02 ^(c) | (4.14) | (4.12) | — | — | — | — |
| | | | | | | | | |
| 2001 - Class A Shares | 36.77 | 0.01 ^(c) | (8.96) | (8.95) | (0.06) | — | (3.46) | (3.52) |
| 2001 - Class B Shares | 35.71 | (0.19) ^(c) | (8.67) | (8.86) | — | — | (3.46) | (3.46) |
| 2001 - Class C Shares | 35.59 | (0.19) ^(c) | (8.65) | (8.84) | — | — | (3.46) | (3.46) |
| 2001 - Institutional Shares | 37.30 | 0.13 ^(c) | (9.09) | (8.96) | (0.19) | (0.01) | (3.46) | (3.66) |
| 2001 - Service Shares | 36.54 | (0.01) ^(c) | (8.91) | (8.92) | (0.01) | — | (3.46) | (3.47) |
| | | | | | | | | |
| 2000 - Class A Shares | 34.21 | 0.10 ^(c) | 6.00 | 6.10 | — | — | (3.54) | (3.54) |
| 2000 - Class B Shares | 33.56 | (0.14) ^(c) | 5.83 | 5.69 | — | — | (3.54) | (3.54) |
| 2000 - Class C Shares | 33.46 | (0.13) ^(c) | 5.80 | 5.67 | — | — | (3.54) | (3.54) |
| 2000 - Institutional Shares | 34.61 | 0.24 ^(c) | 6.07 | 6.31 | (0.08) | — | (3.54) | (3.62) |
| 2000 - Service Shares | 34.05 | 0.07 ^(c) | 5.96 | 6.03 | — | — | (3.54) | (3.54) |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | | |
| 1999 - Class A Shares | 32.98 | 0.03 | 1.20 | 1.23 | — | — | — | — |
| 1999 - Class B Shares | 32.50 | (0.11) | 1.17 | 1.06 | — | — | — | — |
| 1999 - Class C Shares | 32.40 | (0.10) | 1.16 | 1.06 | — | — | — | — |
| 1999 - Institutional Shares | 33.29 | 0.11 | 1.21 | 1.32 | — | — | — | — |
| 1999 - Service Shares | 32.85 | 0.01 | 1.19 | 1.20 | — | — | — | — |
| FOR THE YEAR ENDED JANUARY 31, | | | | | | | | |
| 1999 - Class A Shares | 26.59 | 0.04 | 7.02 | 7.06 | (0.03) | (0.01) | (0.63) | (0.67) |
| 1999 - Class B Shares | 26.32 | (0.10) | 6.91 | 6.81 | — | — | (0.63) | (0.63) |
| 1999 - Class C Shares | 26.24 | (0.10) | 6.89 | 6.79 | — | — | (0.63) | (0.63) |
| 1999 - Institutional Shares | 26.79 | 0.20 | 7.11 | 7.31 | (0.15) | (0.03) | (0.63) | (0.81) |
| 1999 - Service Shares | 26.53 | 0.06 | 7.01 | 7.07 | (0.10) | (0.02) | (0.63) | (0.75) |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$22.57 | 11.90% | \$351,673 | 1.15% | 0.44% | 1.26% | 0.33% | 74% |
| 21.42 | 11.10 | 118,993 | 1.90 | (0.31) | 2.01 | (0.42) | 74 |
| 21.34 | 11.15 | 36,546 | 1.90 | (0.31) | 2.01 | (0.42) | 74 |
| 23.00 | 12.40 | 131,457 | 0.75 | 0.84 | 0.86 | 0.73 | 74 |
| 22.40 | 11.83 | 7,717 | 1.25 | 0.34 | 1.36 | 0.23 | 74 |
| 20.18 | (16.95) | 340,934 | 1.14 | 0.19 | 1.24 | 0.09 | 74 |
| 19.28 | (17.57) | 127,243 | 1.89 | (0.57) | 1.99 | (0.67) | 74 |
| 19.20 | (17.56) | 36,223 | 1.89 | (0.56) | 1.99 | (0.66) | 74 |
| 20.57 | (16.65) | 163,439 | 0.74 | 0.59 | 0.84 | 0.49 | 74 |
| 20.03 | (17.06) | 6,484 | 1.24 | 0.09 | 1.34 | (0.01) | 74 |
| 24.30 | (25.96) | 471,445 | 1.14 | 0.04 | 1.23 | (0.05) | 54 |
| 23.39 | (26.49) | 184,332 | 1.89 | (0.70) | 1.98 | (0.79) | 54 |
| 23.29 | (26.53) | 45,841 | 1.89 | (0.70) | 1.98 | (0.79) | 54 |
| 24.68 | (25.66) | 255,400 | 0.74 | 0.45 | 0.83 | 0.36 | 54 |
| 24.15 | (26.02) | 8,319 | 1.24 | (0.05) | 1.33 | (0.14) | 54 |
| 36.77 | 18.96 | 715,775 | 1.14 | 0.31 | 1.23 | 0.22 | 59 |
| 35.71 | 18.03 | 275,673 | 1.89 | (0.44) | 1.98 | (0.53) | 59 |
| 35.59 | 18.03 | 62,820 | 1.89 | (0.43) | 1.98 | (0.52) | 59 |
| 37.30 | 19.41 | 379,172 | 0.74 | 0.71 | 0.83 | 0.62 | 59 |
| 36.54 | 18.83 | 11,879 | 1.24 | 0.19 | 1.33 | 0.10 | 59 |
| 34.21 | 3.73 | 614,310 | 1.14 ^(b) | 0.15 ^(b) | 1.24 ^(b) | 0.05 ^(b) | 42 |
| 33.56 | 3.26 | 214,087 | 1.89 ^(b) | (0.60) ^(b) | 1.99 ^(b) | (0.70) ^(b) | 42 |
| 33.46 | 3.27 | 43,361 | 1.89 ^(b) | (0.61) ^(b) | 1.99 ^(b) | (0.71) ^(b) | 42 |
| 34.61 | 3.97 | 335,465 | 0.74 ^(b) | 0.54 ^(b) | 0.84 ^(b) | 0.44 ^(b) | 42 |
| 34.05 | 3.65 | 11,204 | 1.24 ^(b) | 0.06 ^(b) | 1.34 ^(b) | (0.04) ^(b) | 42 |
| 32.98 | 26.89 | 605,566 | 1.23 | 0.15 | 1.36 | 0.02 | 64 |
| 32.50 | 26.19 | 152,347 | 1.85 | (0.50) | 1.98 | (0.63) | 64 |
| 32.40 | 26.19 | 26,912 | 1.87 | (0.53) | 2.00 | (0.66) | 64 |
| 33.29 | 27.65 | 307,200 | 0.69 | 0.69 | 0.82 | 0.56 | 64 |
| 32.85 | 27.00 | 11,600 | 1.19 | 0.19 | 1.32 | 0.06 | 64 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | Income (loss) from investment operations | | | | Distributions to shareholders | | | |
|---|---|---------------------------------------|---|--|----------------------------------|---|-------------------------------|------------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | In excess of net investment income | From net realized gains | Total distributions |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | | |
| 2003 - Class A Shares | \$ 9.06 | \$(0.01) ^(c) | \$ 1.28 | \$ 1.27 | \$ — | \$ — | \$ — | \$ — |
| 2003 - Class B Shares | 8.72 | (0.07) ^(c) | 1.22 | 1.15 | — | — | — | — |
| 2003 - Class C Shares | 8.72 | (0.07) ^(c) | 1.22 | 1.15 | — | — | — | — |
| 2003 - Institutional Shares | 9.19 | 0.03 ^(c) | 1.30 | 1.33 | — | — | — | — |
| 2003 - Service Shares | 9.01 | (0.02) ^(c) | 1.27 | 1.25 | — | — | — | — |
| | | | | | | | | |
| 2002 - Class A Shares | 11.51 | (0.03) ^(c) | (2.38) | (2.41) | — | — | (0.04) | (0.04) |
| 2002 - Class B Shares | 11.16 | (0.11) ^(c) | (2.29) | (2.40) | — | — | (0.04) | (0.04) |
| 2002 - Class C Shares | 11.17 | (0.11) ^(c) | (2.30) | (2.41) | — | — | (0.04) | (0.04) |
| 2002 - Institutional Shares | 11.63 | 0.01 ^(c) | (2.41) | (2.40) | — | — | (0.04) | (0.04) |
| 2002 - Service Shares | 11.45 | (0.04) ^(c) | (2.36) | (2.40) | — | — | (0.04) | (0.04) |
| | | | | | | | | |
| 2001 - Class A Shares | 22.66 | (0.09) ^(c) | (9.97) | (10.06) | (0.02) | — | (1.07) | (1.09) |
| 2001 - Class B Shares | 22.14 | (0.20) ^(c) | (9.71) | (9.91) | — | — | (1.07) | (1.07) |
| 2001 - Class C Shares | 22.15 | (0.20) ^(c) | (9.71) | (9.91) | — | — | (1.07) | (1.07) |
| 2001 - Institutional Shares | 22.87 | (0.02) ^(c) | (10.06) | (10.08) | (0.09) | — | (1.07) | (1.16) |
| 2001 - Service Shares | 22.55 | (0.10) ^(c) | (9.93) | (10.03) | — | — | (1.07) | (1.07) |
| | | | | | | | | |
| 2000 - Class A Shares | 17.02 | 0.06 ^(c) | 5.67 | 5.73 | — | — | (0.09) | (0.09) |
| 2000 - Class B Shares | 16.75 | (0.09) ^(c) | 5.57 | 5.48 | — | — | (0.09) | (0.09) |
| 2000 - Class C Shares | 16.75 | (0.08) ^(c) | 5.57 | 5.49 | — | — | (0.09) | (0.09) |
| 2000 - Institutional Shares | 17.10 | 0.13 ^(c) | 5.73 | 5.86 | — | — | (0.09) | (0.09) |
| 2000 - Service Shares | 16.95 | 0.03 ^(c) | 5.66 | 5.69 | — | — | (0.09) | (0.09) |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | | |
| 1999 - Class A Shares | 16.17 | (0.01) | 0.86 | 0.85 | — | — | — | — |
| 1999 - Class B Shares | 15.98 | (0.07) | 0.84 | 0.77 | — | — | — | — |
| 1999 - Class C Shares | 15.99 | (0.07) | 0.83 | 0.76 | — | — | — | — |
| 1999 - Institutional Shares | 16.21 | 0.03 | 0.86 | 0.89 | — | — | — | — |
| 1999 - Service Shares | 16.11 | (0.02) | 0.86 | 0.84 | — | — | — | — |
| FOR THE YEAR ENDED JANUARY 31, | | | | | | | | |
| 1999 - Class A Shares | 11.97 | 0.01 | 4.19 | 4.20 | — | — | — | — |
| 1999 - Class B Shares | 11.92 | (0.06) | 4.12 | 4.06 | — | — | — | — |
| 1999 - Class C Shares | 11.93 | (0.05) | 4.11 | 4.06 | — | — | — | — |
| 1999 - Institutional Shares | 11.97 | 0.02 | 4.23 | 4.25 | — | (0.01) | — | (0.01) |
| 1999 - Service Shares | 11.95 | (0.01) | 4.17 | 4.16 | — | — | — | — |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

| Net asset value, end of period | Total return ^(a) | Net assets at end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$10.33 | 14.02% | \$127,317 | 1.18% | (0.07)% | 1.31% | (0.20)% | 119% |
| 9.87 | 13.19 | 91,084 | 1.93 | (0.82) | 2.06 | (0.95) | 119 |
| 9.87 | 13.19 | 36,553 | 1.93 | (0.82) | 2.06 | (0.95) | 119 |
| 10.52 | 14.47 | 114,524 | 0.78 | 0.33 | 0.91 | 0.20 | 119 |
| 10.26 | 13.87 | 410 | 1.28 | (0.17) | 1.41 | (0.30) | 119 |
| 9.06 | (21.04) | 139,593 | 1.17 | (0.32) | 1.27 | (0.42) | 113 |
| 8.72 | (21.61) | 99,959 | 1.92 | (1.06) | 2.02 | (1.16) | 113 |
| 8.72 | (21.68) | 41,627 | 1.92 | (1.07) | 2.02 | (1.17) | 113 |
| 9.19 | (20.74) | 131,590 | 0.77 | 0.08 | 0.87 | (0.02) | 113 |
| 9.01 | (21.06) | 409 | 1.27 | (0.41) | 1.37 | (0.51) | 113 |
| 11.51 | (45.97) | 246,785 | 1.16 | (0.57) | 1.24 | (0.65) | 68 |
| 11.16 | (46.37) | 167,469 | 1.91 | (1.32) | 1.99 | (1.40) | 68 |
| 11.17 | (46.35) | 77,398 | 1.91 | (1.32) | 1.99 | (1.40) | 68 |
| 11.63 | (45.73) | 201,935 | 0.76 | (0.15) | 0.84 | (0.23) | 68 |
| 11.45 | (46.05) | 1,316 | 1.26 | (0.68) | 1.34 | (0.76) | 68 |
| 22.66 | 33.73 | 545,763 | 1.09 | 0.31 | 1.24 | 0.16 | 73 |
| 22.14 | 32.78 | 338,128 | 1.84 | (0.44) | 1.99 | (0.59) | 73 |
| 22.15 | 32.84 | 154,966 | 1.84 | (0.43) | 1.99 | (0.58) | 73 |
| 22.87 | 34.34 | 322,900 | 0.69 | 0.65 | 0.84 | 0.50 | 73 |
| 22.55 | 33.64 | 3,879 | 1.19 | 0.15 | 1.34 | — | 73 |
| 17.02 | 5.26 | 300,684 | 1.04 ^(b) | (0.11) ^(b) | 1.26 ^(b) | (0.33) ^(b) | 33 |
| 16.75 | 4.82 | 181,626 | 1.79 ^(b) | (0.87) ^(b) | 2.01 ^(b) | (1.09) ^(b) | 33 |
| 16.75 | 4.75 | 75,502 | 1.79 ^(b) | (0.87) ^(b) | 2.01 ^(b) | (1.09) ^(b) | 33 |
| 17.10 | 5.49 | 310,704 | 0.64 ^(b) | 0.31 ^(b) | 0.86 ^(b) | 0.09 ^(b) | 33 |
| 16.95 | 5.21 | 2,510 | 1.14 ^(b) | (0.21) ^(b) | 1.36 ^(b) | (0.43) ^(b) | 33 |
| 16.17 | 35.10 | 175,510 | 0.97 | 0.05 | 1.46 | (0.44) | 63 |
| 15.98 | 34.07 | 93,711 | 1.74 | (0.73) | 2.11 | (1.10) | 63 |
| 15.99 | 34.04 | 37,081 | 1.74 | (0.74) | 2.11 | (1.11) | 63 |
| 16.21 | 35.54 | 295,734 | 0.65 | 0.35 | 1.02 | (0.02) | 63 |
| 16.11 | 34.85 | 1,663 | 1.15 | (0.16) | 1.52 | (0.53) | 63 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | Net asset value, beginning of period | Income (loss) from investment operations | | | Distributions to shareholders | | |
|---|--------------------------------------|--|---|----------------------------------|-------------------------------|-------------------------|---------------------|
| | | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | From net realized gains | Total distributions |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | |
| 2003 - Class A Shares | \$ 9.36 | \$ 0.02 ^(c) | \$ 2.23 | \$ 2.25 | \$ — | \$ — | \$ — |
| 2003 - Class B Shares | 8.99 | (0.05) ^(c) | 2.12 | 2.07 | — | — | — |
| 2003 - Class C Shares | 9.01 | (0.05) ^(c) | 2.14 | 2.09 | — | — | — |
| 2003 - Institutional Shares | 9.51 | 0.06 ^(c) | 2.27 | 2.33 | — | — | — |
| 2003 - Service Shares | 9.30 | 0.01 ^(c) | 2.22 | 2.23 | — | — | — |
| | | | | | | | |
| 2002 - Class A Shares | 10.59 | — ^{(c)(d)} | (0.83) | (0.83) | — | (0.40) | (0.40) |
| 2002 - Class B Shares | 10.26 | (0.08) ^(c) | (0.79) | (0.87) | — | (0.40) | (0.40) |
| 2002 - Class C Shares | 10.29 | (0.07) ^(c) | (0.81) | (0.88) | — | (0.40) | (0.40) |
| 2002 - Institutional Shares | 10.76 | 0.04 ^(c) | (0.85) | (0.81) | (0.04) | (0.40) | (0.44) |
| 2002 - Service Shares | 10.55 | 0.01 ^(c) | (0.84) | (0.83) | (0.02) | (0.40) | (0.42) |
| | | | | | | | |
| 2001 - Class A Shares | 12.90 | 0.01 ^(c) | (1.12) | (1.11) | — | (1.20) | (1.20) |
| 2001 - Class B Shares | 12.63 | (0.07) ^(c) | (1.10) | (1.17) | — | (1.20) | (1.20) |
| 2001 - Class C Shares | 12.66 | (0.07) ^(c) | (1.10) | (1.17) | — | (1.20) | (1.20) |
| 2001 - Institutional Shares | 13.03 | 0.05 ^(c) | (1.12) | (1.07) | — | (1.20) | (1.20) |
| 2001 - Service Shares | 12.87 | — ^{(c)(d)} | (1.12) | (1.12) | — | (1.20) | (1.20) |
| | | | | | | | |
| 2000 - Class A Shares | 10.23 | (0.03) ^(c) | 2.70 | 2.67 | — | — | — |
| 2000 - Class B Shares | 10.09 | (0.11) ^(c) | 2.65 | 2.54 | — | — | — |
| 2000 - Class C Shares | 10.10 | (0.10) ^(c) | 2.66 | 2.56 | — | — | — |
| 2000 - Institutional Shares | 10.30 | 0.02 ^(c) | 2.71 | 2.73 | — | — | — |
| 2000 - Service Shares | 10.22 | (0.04) ^(c) | 2.69 | 2.65 | — | — | — |
| | | | | | | | |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | |
| 1999 - Class A Shares | 10.16 | (0.01) | 0.08 | 0.07 | — | — | — |
| 1999 - Class B Shares | 10.07 | (0.05) | 0.07 | 0.02 | — | — | — |
| 1999 - Class C Shares | 10.08 | (0.05) | 0.07 | 0.02 | — | — | — |
| 1999 - Institutional Shares | 10.20 | 0.02 | 0.08 | 0.10 | — | — | — |
| 1999 - Service Shares | 10.16 | (0.01) | 0.07 | 0.06 | — | — | — |
| | | | | | | | |
| FOR THE YEAR ENDED JANUARY 31, | | | | | | | |
| 1999 - Class A Shares | 10.59 | 0.01 | (0.43) | (0.42) | (0.01) | — | (0.01) |
| 1999 - Class B Shares | 10.56 | (0.05) | (0.44) | (0.49) | — | — | — |
| 1999 - Class C Shares | 10.57 | (0.04) | (0.45) | (0.49) | — | — | — |
| 1999 - Institutional Shares | 10.61 | 0.04 | (0.43) | (0.39) | (0.02) | — | (0.02) |
| 1999 - Service Shares | 10.60 | 0.01 | (0.44) | (0.43) | (0.01) | — | (0.01) |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

(d) Less than \$.005 per share.

| Net asset value, end of period | Total return ^(a) | Net assets at end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$11.61 | 24.04% | \$ 89,340 | 1.34% | 0.25% | 1.52% | 0.07% | 149% |
| 11.06 | 23.03 | 19,408 | 2.09 | (0.51) | 2.27 | (0.69) | 149 |
| 11.10 | 23.09 | 16,463 | 2.09 | (0.51) | 2.27 | (0.69) | 149 |
| 11.84 | 24.50 | 111,957 | 0.94 | 0.65 | 1.12 | 0.47 | 149 |
| 11.53 | 23.87 | 40,775 | 1.44 | 0.15 | 1.62 | (0.03) | 149 |
| 9.36 | (8.20) | 57,014 | 1.34 | 0.01 | 1.58 | (0.23) | 136 |
| 8.99 | (8.88) | 16,854 | 2.09 | (0.74) | 2.33 | (0.98) | 136 |
| 9.01 | (8.95) | 11,504 | 2.09 | (0.74) | 2.33 | (0.98) | 136 |
| 9.51 | (7.93) | 57,683 | 0.94 | 0.39 | 1.18 | 0.15 | 136 |
| 9.30 | (8.27) | 28,999 | 1.44 | 0.15 | 1.68 | (0.09) | 136 |
| 10.59 | (8.64) | 50,093 | 1.33 | 0.09 | 1.59 | (0.17) | 85 |
| 10.26 | (9.35) | 16,125 | 2.08 | (0.66) | 2.34 | (0.92) | 85 |
| 10.29 | (9.32) | 8,885 | 2.08 | (0.66) | 2.34 | (0.92) | 85 |
| 10.76 | (8.28) | 62,794 | 0.93 | 0.48 | 1.19 | 0.22 | 85 |
| 10.55 | (8.75) | 201 | 1.43 | 0.03 | 1.69 | (0.23) | 85 |
| 12.90 | 26.10 | 54,954 | 1.33 | (0.21) | 1.55 | (0.43) | 135 |
| 12.63 | 25.17 | 17,923 | 2.08 | (0.96) | 2.30 | (1.18) | 135 |
| 12.66 | 25.35 | 8,289 | 2.08 | (0.96) | 2.30 | (1.18) | 135 |
| 13.03 | 26.60 | 86,196 | 0.93 | 0.19 | 1.15 | (0.03) | 135 |
| 12.87 | 25.93 | 63 | 1.43 | (0.30) | 1.65 | (0.52) | 135 |
| 10.23 | 0.69 | 52,660 | 1.33 ^(b) | (0.12) ^(b) | 1.67 ^(b) | (0.46) ^(b) | 52 |
| 10.09 | 0.20 | 13,711 | 2.08 ^(b) | (0.86) ^(b) | 2.42 ^(b) | (1.20) ^(b) | 52 |
| 10.10 | 0.20 | 6,274 | 2.08 ^(b) | (0.86) ^(b) | 2.42 ^(b) | (1.20) ^(b) | 52 |
| 10.30 | 0.98 | 62,633 | 0.93 ^(b) | 0.28 ^(b) | 1.27 ^(b) | (0.06) ^(b) | 52 |
| 10.22 | 0.59 | 64 | 1.43 ^(b) | (0.22) ^(b) | 1.77 ^(b) | (0.56) ^(b) | 52 |
| 10.16 | (3.97) | 64,087 | 1.31 | 0.08 | 2.00 | (0.61) | 75 |
| 10.07 | (4.64) | 15,406 | 2.00 | (0.55) | 2.62 | (1.17) | 75 |
| 10.08 | (4.64) | 6,559 | 2.01 | (0.56) | 2.63 | (1.18) | 75 |
| 10.20 | (3.64) | 62,763 | 0.94 | 0.60 | 1.56 | (0.02) | 75 |
| 10.16 | (4.07) | 54 | 1.44 | 0.01 | 2.06 | (0.61) | 75 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | Net asset value, beginning of period | Income (loss) from investment operations | | | Distributions to shareholders | | |
|---|--------------------------------------|--|---|----------------------------------|-------------------------------|-------------------------|---------------------|
| | | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | From net realized gains | Total distributions |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | |
| 2003 - Class A Shares | \$ 8.74 | \$ 0.10 ^(c) | \$ 0.74 | \$ 0.84 | \$(0.10) | \$ — | \$(0.10) |
| 2003 - Class B Shares | 8.67 | 0.03 ^(c) | 0.73 | 0.76 | (0.03) | — | (0.03) |
| 2003 - Class C Shares | 8.68 | 0.03 ^(c) | 0.74 | 0.77 | (0.03) | — | (0.03) |
| 2003 - Institutional Shares | 8.74 | 0.13 ^(c) | 0.73 | 0.86 | (0.13) | — | (0.13) |
| 2003 - Service Shares | 8.74 | 0.09 ^(c) | 0.74 | 0.83 | (0.07) | — | (0.07) |
| | | | | | | | |
| 2002 - Class A Shares | 10.31 | 0.07 ^(c) | (1.57) | (1.50) | (0.07) | — | (0.07) |
| 2002 - Class B Shares | 10.24 | — ^{(c)(d)} | (1.56) | (1.56) | (0.01) | — | (0.01) |
| 2002 - Class C Shares | 10.25 | — ^{(c)(d)} | (1.56) | (1.56) | (0.01) | — | (0.01) |
| 2002 - Institutional Shares | 10.31 | 0.11 ^(c) | (1.57) | (1.46) | (0.11) | — | (0.11) |
| 2002 - Service Shares | 10.31 | 0.07 ^(c) | (1.58) | (1.51) | (0.06) | — | (0.06) |
| | | | | | | | |
| 2001 - Class A Shares | 10.81 | 0.07 ^(c) | (0.42) | (0.35) | (0.09) | (0.06) | (0.15) |
| 2001 - Class B Shares | 10.75 | (0.01) ^(c) | (0.42) | (0.43) | (0.02) | (0.06) | (0.08) |
| 2001 - Class C Shares | 10.76 | (0.01) ^(c) | (0.42) | (0.43) | (0.02) | (0.06) | (0.08) |
| 2001 - Institutional Shares | 10.82 | 0.11 ^(c) | (0.43) | (0.32) | (0.13) | (0.06) | (0.19) |
| 2001 - Service Shares | 10.81 | 0.06 ^(c) | (0.42) | (0.36) | (0.08) | (0.06) | (0.14) |
| | | | | | | | |
| 2000 - Class A Shares | 10.55 | 0.12 ^(c) | 0.36 | 0.48 | (0.10) | (0.12) | (0.22) |
| 2000 - Class B Shares | 10.50 | 0.05 ^(c) | 0.36 | 0.41 | (0.04) | (0.12) | (0.16) |
| 2000 - Class C Shares | 10.51 | 0.04 ^(c) | 0.37 | 0.41 | (0.04) | (0.12) | (0.16) |
| 2000 - Institutional Shares | 10.55 | 0.16 ^(c) | 0.37 | 0.53 | (0.14) | (0.12) | (0.26) |
| 2000 - Service Shares | 10.55 | 0.11 ^(c) | 0.36 | 0.47 | (0.09) | (0.12) | (0.21) |
| | | | | | | | |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | |
| 1999 - Class A Shares | 10.15 | 0.04 | 0.40 | 0.44 | (0.04) | — | (0.04) |
| 1999 - Class B Shares | 10.15 | 0.01 | 0.36 | 0.37 | (0.02) | — | (0.02) |
| 1999 - Class C Shares | 10.15 | 0.01 | 0.37 | 0.38 | (0.02) | — | (0.02) |
| 1999 - Institutional Shares | 10.16 | 0.06 | 0.38 | 0.44 | (0.05) | — | (0.05) |
| 1999 - Service Shares | 10.16 | 0.02 | 0.40 | 0.42 | (0.03) | — | (0.03) |
| | | | | | | | |
| FOR THE PERIOD ENDED JANUARY 31, | | | | | | | |
| 1999 - Class A Shares (commenced December 31, 1998) | 10.00 | 0.01 | 0.14 | 0.15 | — | — | — |
| 1999 - Class B Shares (commenced December 31, 1998) | 10.00 | — | 0.15 | 0.15 | — | — | — |
| 1999 - Class C Shares (commenced December 31, 1998) | 10.00 | — | 0.15 | 0.15 | — | — | — |
| 1999 - Institutional Shares (commenced December 31, 1998) | 10.00 | 0.01 | 0.15 | 0.16 | — | — | — |
| 1999 - Service Shares (commenced December 31, 1998) | 10.00 | 0.02 | 0.14 | 0.16 | — | — | — |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

(d) Less than \$.005 per share.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$ 9.48 | 9.70% | \$ 79,866 | 1.11% | 1.13% | 1.22% | 1.02% | 102% |
| 9.40 | 8.83 | 18,077 | 1.86 | 0.38 | 1.97 | 0.27 | 102 |
| 9.42 | 8.95 | 13,798 | 1.86 | 0.37 | 1.97 | 0.26 | 102 |
| 9.47 | 10.03 | 145,059 | 0.71 | 1.52 | 0.82 | 1.41 | 102 |
| 9.50 | 9.58 | 327 | 1.21 | 1.02 | 1.32 | 0.91 | 102 |
| 8.74 | (14.61) | 76,472 | 1.11 | 0.76 | 1.20 | 0.67 | 112 |
| 8.67 | (15.28) | 18,828 | 1.86 | 0.00 | 1.95 | (0.09) | 112 |
| 8.68 | (15.26) | 12,533 | 1.86 | 0.01 | 1.95 | (0.08) | 112 |
| 8.74 | (14.25) | 108,613 | 0.71 | 1.15 | 0.80 | 1.06 | 112 |
| 8.74 | (14.70) | 281 | 1.21 | 0.72 | 1.30 | 0.63 | 112 |
| 10.31 | (3.32) | 89,861 | 1.10 | 0.64 | 1.17 | 0.57 | 70 |
| 10.24 | (4.08) | 22,089 | 1.85 | (0.11) | 1.92 | (0.18) | 70 |
| 10.25 | (4.07) | 15,222 | 1.85 | (0.11) | 1.92 | (0.18) | 70 |
| 10.31 | (3.03) | 132,684 | 0.70 | 1.04 | 0.77 | 0.97 | 70 |
| 10.31 | (3.43) | 56 | 1.20 | 0.52 | 1.27 | 0.45 | 70 |
| 10.81 | 4.68 | 100,972 | 1.06 | 1.14 | 1.17 | 1.03 | 83 |
| 10.75 | 3.96 | 19,069 | 1.81 | 0.44 | 1.92 | 0.33 | 83 |
| 10.76 | 3.97 | 11,178 | 1.81 | 0.45 | 1.92 | 0.34 | 83 |
| 10.82 | 5.20 | 175,493 | 0.66 | 1.54 | 0.77 | 1.43 | 83 |
| 10.81 | 4.60 | 12 | 1.16 | 1.07 | 1.27 | 0.96 | 83 |
| 10.55 | 4.31 | 91,072 | 1.04 ^(b) | 0.87 ^(b) | 1.21 ^(b) | 0.70 ^(b) | 36 |
| 10.50 | 3.68 | 14,464 | 1.79 ^(b) | 0.05 ^(b) | 1.96 ^(b) | (0.12) ^(b) | 36 |
| 10.51 | 3.73 | 8,032 | 1.79 ^(b) | 0.09 ^(b) | 1.96 ^(b) | (0.08) ^(b) | 36 |
| 10.55 | 4.35 | 189,540 | 0.64 ^(b) | 1.29 ^(b) | 0.81 ^(b) | 1.12 ^(b) | 36 |
| 10.55 | 4.11 | 13 | 1.14 ^(b) | 0.72 ^(b) | 1.31 ^(b) | 0.55 ^(b) | 36 |
| 10.15 | 1.50 | 6,665 | 1.08 ^(b) | 1.45 ^(b) | 8.03 ^(b) | (5.50) ^(b) | 0 |
| 10.15 | 1.50 | 340 | 1.82 ^(b) | 0.84 ^(b) | 8.77 ^(b) | (6.11) ^(b) | 0 |
| 10.15 | 1.50 | 268 | 1.83 ^(b) | 0.70 ^(b) | 8.78 ^(b) | (6.25) ^(b) | 0 |
| 10.16 | 1.60 | 53,396 | 0.66 ^(b) | 1.97 ^(b) | 7.61 ^(b) | (4.98) ^(b) | 0 |
| 10.16 | 1.60 | 2 | 1.16 ^(b) | 2.17 ^(b) | 8.11 ^(b) | (4.78) ^(b) | 0 |

Financial Highlights

Selected Data for a Share Outstanding Throughout Each Period

| | | Income (loss) from investment operations | | | Distributions to shareholders | | |
|---|--------------------------------------|--|---|----------------------------------|-------------------------------|-------------------------|---------------------|
| | Net asset value, beginning of period | Net investment income (loss) | Net realized and unrealized gain (loss) | Total from investment operations | From net investment income | From net realized gains | Total distributions |
| FOR THE YEARS ENDED AUGUST 31, | | | | | | | |
| 2003 - Class A Shares | \$ 7.35 | \$ 0.08 ^(c) | \$ 0.28 | \$ 0.36 | \$(0.05) | \$ — | \$(0.05) |
| 2003 - Class B Shares | 7.24 | 0.04 ^(c) | 0.28 | 0.32 | — ^(d) | — | — ^(d) |
| 2003 - Class C Shares | 7.25 | 0.04 ^(c) | 0.28 | 0.32 | (0.01) | — | (0.01) |
| 2003 - Institutional Shares | 7.49 | 0.12 ^(c) | 0.29 | 0.41 | (0.10) | — | (0.10) |
| 2003 - Service Shares | 7.39 | 0.10 ^(c) | 0.27 | 0.37 | (0.06) | — | (0.06) |
| | | | | | | | |
| 2002 - Class A Shares | 8.38 | 0.03 ^(c) | (1.06) | (1.03) | — | — | — |
| 2002 - Class B Shares | 8.29 | (0.01) ^(c) | (1.04) | (1.05) | — | — | — |
| 2002 - Class C Shares | 8.30 | (0.01) ^(c) | (1.04) | (1.05) | — | — | — |
| 2002 - Institutional Shares | 8.50 | 0.08 ^(c) | (1.07) | (0.99) | (0.02) | — | (0.02) |
| 2002 - Service Shares | 8.41 | 0.05 ^(c) | (1.07) | (1.02) | — | — | — |
| | | | | | | | |
| 2001 - Class A Shares | 11.32 | — ^{(c)(d)} | (2.35) | (2.35) | (0.04) | (0.55) | (0.59) |
| 2001 - Class B Shares | 11.22 | (0.04) ^(c) | (2.34) | (2.38) | — | (0.55) | (0.55) |
| 2001 - Class C Shares | 11.23 | (0.04) ^(c) | (2.34) | (2.38) | — | (0.55) | (0.55) |
| 2001 - Institutional Shares | 11.48 | 0.07 ^(c) | (2.39) | (2.32) | (0.11) | (0.55) | (0.66) |
| 2001 - Service Shares | 11.36 | 0.02 ^(c) | (2.36) | (2.34) | (0.06) | (0.55) | (0.61) |
| | | | | | | | |
| 2000 - Class A Shares | 10.87 | 0.02 ^(c) | 0.74 | 0.76 | (0.05) | (0.26) | (0.31) |
| 2000 - Class B Shares | 10.81 | (0.04) ^(c) | 0.73 | 0.69 | (0.02) | (0.26) | (0.28) |
| 2000 - Class C Shares | 10.82 | (0.03) ^(c) | 0.72 | 0.69 | (0.02) | (0.26) | (0.28) |
| 2000 - Institutional Shares | 11.00 | 0.09 ^(c) | 0.75 | 0.84 | (0.10) | (0.26) | (0.36) |
| 2000 - Service Shares | 10.93 | 0.05 ^(c) | 0.73 | 0.78 | (0.09) | (0.26) | (0.35) |
| | | | | | | | |
| FOR THE SEVEN-MONTH PERIOD ENDED AUGUST 31, | | | | | | | |
| 1999 - Class A Shares | 9.98 | 0.05 | 0.84 | 0.89 | — | — | — |
| 1999 - Class B Shares | 9.95 | 0.01 | 0.85 | 0.86 | — | — | — |
| 1999 - Class C Shares | 9.96 | 0.01 | 0.85 | 0.86 | — | — | — |
| 1999 - Institutional Shares | 10.06 | 0.09 | 0.85 | 0.94 | — | — | — |
| 1999 - Service Shares | 10.02 | 0.01 | 0.90 | 0.91 | — | — | — |
| | | | | | | | |
| FOR THE YEAR ENDED JANUARY 31, | | | | | | | |
| 1999 - Class A Shares | 9.22 | (0.01) | 0.79 | 0.78 | (0.02) | — | (0.02) |
| 1999 - Class B Shares | 9.21 | — | 0.74 | 0.74 | — | — | — |
| 1999 - Class C Shares | 9.22 | — | 0.74 | 0.74 | — | — | — |
| 1999 - Institutional Shares | 9.24 | 0.05 | 0.80 | 0.85 | (0.03) | — | (0.03) |
| 1999 - Service Shares | 9.23 | — | 0.81 | 0.81 | (0.02) | — | (0.02) |

(a) Assumes investment at the net asset value at the beginning of the period, reinvestment of all dividends and distributions, a complete redemption of the investment at the net asset value at the end of the period and no sales or redemption charges. Total return would be reduced if a sales or redemption charge were taken into account. Total returns for periods less than one full year are not annualized. Returns do not reflect the deduction of taxes that a shareholder would pay on Fund distributions or the redemption of Fund shares.

(b) Annualized.

(c) Calculated based on the average shares outstanding methodology.

(d) Less than \$.005 per share.

| Net asset value, end of period | Total return ^(a) | Net assets, end of period (in 000s) | Ratio of net expenses to average net assets | Ratio of net investment income (loss) to average net assets | Ratios assuming no expense reductions | | Portfolio turnover rate |
|--------------------------------------|--------------------------------|--|--|---|--|---|-------------------------------|
| | | | | | Ratio of expenses to average net assets | Ratio of net investment income (loss) to average net assets | |
| \$ 7.66 | 5.00% | \$ 95,015 | 1.67% | 1.12% | 1.84% | 0.95% | 122% |
| 7.56 | 4.45 | 5,574 | 2.17 | 0.56 | 2.34 | 0.39 | 122 |
| 7.56 | 4.38 | 3,646 | 2.17 | 0.64 | 2.34 | 0.47 | 122 |
| 7.80 | 5.64 | 158,021 | 1.02 | 1.73 | 1.19 | 1.56 | 122 |
| 7.70 | 5.14 | 31 | 1.52 | 1.45 | 1.69 | 1.28 | 122 |
| 7.35 | (12.29) | 72,405 | 1.67 | 0.38 | 1.82 | 0.23 | 115 |
| 7.24 | (12.67) | 6,434 | 2.17 | (0.07) | 2.32 | (0.22) | 115 |
| 7.25 | (12.65) | 3,963 | 2.17 | (0.07) | 2.32 | (0.22) | 115 |
| 7.49 | (11.68) | 188,858 | 1.02 | 1.02 | 1.17 | 0.87 | 115 |
| 7.39 | (12.13) | 18 | 1.52 | 0.60 | 1.67 | 0.45 | 115 |
| 8.38 | (21.50) | 108,955 | 1.66 | 0.00 | 1.77 | (0.11) | 93 |
| 8.29 | (21.93) | 8,575 | 2.16 | (0.47) | 2.27 | (0.58) | 93 |
| 8.30 | (21.91) | 5,114 | 2.16 | (0.44) | 2.27 | (0.55) | 93 |
| 8.50 | (21.02) | 291,596 | 1.01 | 0.70 | 1.12 | 0.59 | 93 |
| 8.41 | (21.37) | 21 | 1.51 | 0.21 | 1.62 | 0.10 | 93 |
| 11.32 | 6.92 | 147,409 | 1.66 | 0.14 | 1.75 | 0.05 | 92 |
| 11.22 | 6.36 | 12,032 | 2.16 | (0.36) | 2.25 | (0.45) | 92 |
| 11.23 | 6.34 | 6,887 | 2.16 | (0.34) | 2.25 | (0.43) | 92 |
| 11.48 | 7.62 | 308,074 | 1.01 | 0.78 | 1.10 | 0.69 | 92 |
| 11.36 | 7.05 | 27 | 1.51 | 0.33 | 1.60 | 0.24 | 92 |
| 10.87 | 8.92 | 114,502 | 1.66 ^(b) | 0.78 ^(b) | 1.76 ^(b) | 0.68 ^(b) | 65 |
| 10.81 | 8.64 | 9,171 | 2.16 ^(b) | 0.26 ^(b) | 2.26 ^(b) | 0.16 ^(b) | 65 |
| 10.82 | 8.63 | 4,913 | 2.16 ^(b) | 0.23 ^(b) | 2.26 ^(b) | 0.13 ^(b) | 65 |
| 11.00 | 9.34 | 271,212 | 1.01 ^(b) | 1.43 ^(b) | 1.11 ^(b) | 1.33 ^(b) | 65 |
| 10.93 | 9.08 | 8 | 1.51 ^(b) | 0.07 ^(b) | 1.61 ^(b) | (0.03) ^(b) | 65 |
| 9.98 | 8.37 | 110,338 | 1.63 | (0.11) | 1.94 | (0.42) | 195 |
| 9.95 | 8.03 | 7,401 | 2.08 | (0.03) | 2.39 | (0.34) | 195 |
| 9.96 | 8.03 | 3,742 | 2.08 | (0.04) | 2.39 | (0.35) | 195 |
| 10.06 | 9.20 | 280,731 | 1.01 | 0.84 | 1.32 | 0.53 | 195 |
| 10.02 | 8.74 | 22 | 1.50 | 0.02 | 1.81 | (0.29) | 195 |

Report of Independent Auditors

To the Shareholders and Board of Trustees of
Goldman Sachs Trust — CORE Equity Funds:

In our opinion, the accompanying statements of assets and liabilities, including the statements of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Goldman Sachs CORE U.S. Equity Fund, CORE Large Cap Growth Fund, CORE Small Cap Equity Fund, CORE Large Cap Value Fund and CORE International Equity Fund (collectively “the CORE Equity Funds”), portfolios of Goldman Sachs Trust at August 31, 2003, the results of each of their operations and the changes in each of their net assets for each of the periods indicated and the financial highlights for each of the four years in the periods then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as “financial statements”) are the responsibility of the CORE Equity Funds’ management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at August 31, 2003 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion. The financial highlights of the CORE Equity Funds for the periods ended prior to August 31, 2000 were audited by other independent auditors who have ceased operations. Those independent auditors expressed an unqualified opinion on the financial statements in their report dated October 8, 1999.

PricewaterhouseCoopers LLP

Boston, Massachusetts
October 22, 2003

Trustees and Officers (Unaudited)

Independent Trustees

| Name, Address and Age ¹ | Position(s) Held with the Trust ² | Term of Office and Length of Time Served ³ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee ⁴ | Other Directorships Held by Trustee ⁵ |
|------------------------------------|--|---|--|---|--|
| Ashok N. Bakhru Age: 61 | Chairman & Trustee | Since 1991 | President, ABN Associates (July 1994-March 1996 and November 1998-Present); Executive Vice President – Finance and Administration and Chief Financial Officer, Coty Inc. (manufacturer of fragrances and cosmetics) (April 1996-November 1998); Director of Arkwright Mutual Insurance Company (1984-1999); Trustee of International House of Philadelphia (program center and residential community for students and professional trainees from the United States and foreign countries) (1989-Present); Member of Cornell University Council (1992-Present); Trustee of the Walnut Street Theater (1992-Present); Trustee, Scholarship America (1998-Present); Director, Private Equity Investors – III and IV (November 1998-Present), and Equity-Limited Investors II (April 2002-Present); and Chairman, Lenders Service Inc. (provider of mortgage lending services) (2000-Present). Chairman of the Board and Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |
| Patrick T. Harker Age: 44 | Trustee | Since 2000 | Dean and Reliance Professor of Operations and Information Management, The Wharton School, University of Pennsylvania (February 2000-Present); Interim and Deputy Dean, The Wharton School, University of Pennsylvania (July 1999-Present); and Professor and Chairman of Department of Operations and Information Management, The Wharton School, University of Pennsylvania (July 1997-August 2000). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |
| Mary P. McPherson Age: 68 | Trustee | Since 1997 | Vice President, The Andrew W. Mellon Foundation (provider of grants for conservation, environmental and educational purposes) (October 1997-Present); Director, Smith College (1998-Present); Director, Josiah Macy, Jr. Foundation (health educational programs) (1977-Present); Director, Philadelphia Contributionship (insurance) (1985-Present); Director Emeritus, Amherst College (1986-1998); Director, The Spencer Foundation (educational research) (1993-February 2003); member of PNC Advisory Board (banking) (1993-1998); and Director, American School of Classical Studies in Athens (1997-Present). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |

| Name, Address and Age ¹ | Position(s) Held with the Trust ² | Term of Office and Length of Time Served ³ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee ⁴ | Other Directorships Held by Trustee ⁵ |
|------------------------------------|--|---|--|---|---|
| Wilma J. Smelcer Age: 54 | Trustee | Since 2001 | Chairman, Bank of America, Illinois (banking) (1998-January 2001); and Governor, Board of Governors, Chicago Stock Exchange (national securities exchange) (April 2001-Present). | 62 | None |
| Richard P. Strubel Age: 64 | Trustee | Since 1987 | Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). President, COO and Director Unext, Inc. (provider of educational services via the internet) (1999-Present); Director, Cantilever Technologies, Inc. (a private software company) (1999-Present); Trustee, The University of Chicago (1987-Present); and Managing Director, Tandem Partners, Inc. (management services firm) (1990-1999). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | Gildan Activewear Inc. (an activewear clothing marketing and manufacturing company); Unext, Inc. (provider of educational services via the internet); Northern Mutual Fund Complex (53 Portfolios). |

Interested Trustees

| Name, Address and Age ¹ | Position(s) Held with the Trust ² | Term of Office and Length of Time Served ³ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee ⁴ | Other Directorships Held by Trustee ⁵ |
|------------------------------------|--|---|---|---|--|
| *Gary D. Black Age: 43 | Trustee | Since 2002 | Managing Director, Goldman Sachs (June 2001-Present); Executive Vice President, AllianceBernstein (investment adviser) (October 2000-June 2001); Managing Director, Global Institutional Investment Management, Sanford Bernstein (investment adviser) (January 1999-October 2000); and Senior Research Analyst Sanford Bernstein (investment adviser) (February 1992-December 1998). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |
| *James A. McNamara Age: 40 | Trustee & Vice President | Since 2002 | Managing Director, Goldman Sachs (December 1998-Present); Director of Institutional Fund Sales, GSAM (April 1998-December 2000); and Senior Vice President and Manager, Dreyfus Institutional Service Corporation (January 1993-April 1998). Vice President – Goldman Sachs Mutual Fund Complex (registered investment companies). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |

| Name, Address and Age ¹ | Position(s) Held with the Trust ² | Term of Office and Length of Time Served ³ | Principal Occupation(s) During Past 5 Years | Number of Portfolios in Fund Complex Overseen by Trustee ⁴ | Other Directorships Held by Trustee ⁵ |
|------------------------------------|--|---|--|---|--|
| *Alan A. Shuch Age: 53 | Trustee | Since 1990 | Advisory Director – GSAM (May 1999-Present); Consultant to GSAM (December 1994-May 1999); and Limited Partner, Goldman Sachs (December 1994-May 1999). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |
| *Kaysie P. Uniacke Age: 42 | Trustee & President | Since 2001 | Managing Director, GSAM (1997-Present). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). | 62 | None |
| | | Since 2002 | President – Goldman Sachs Mutual Fund Complex (2002-Present) (registered investment companies). Assistant Secretary – Goldman Sachs Mutual Fund Complex (1997-2002) (registered investment companies). | | |

* These persons are considered to be “Interested Trustees” because they hold positions with Goldman Sachs and own securities issued by The Goldman Sachs Group, Inc. Each Interested Trustee holds comparable positions with certain other companies of which Goldman Sachs, GSAM or an affiliate thereof is the investment adviser, administrator and/or distributor.

¹ Each Trustee may be contacted by writing to the Trustee, c/o Goldman Sachs, One New York Plaza, 37th Floor, New York, New York, 10004, Attn: Howard B. Surloff.
² The Trust is a successor to a Massachusetts business trust that was combined with the Trust on April 30, 1997.

³ Each Trustee holds office for an indefinite term until the earliest of: (a) the election of his or her successor; (b) the date the Trustee resigns or is removed by the Board of Trustees or shareholders, in accordance with the Trust’s Declaration of Trust; (c) the date the Trustee attains the age of 72 years (in accordance with the current resolutions of the Board of Trustees, which may be changed by the Trustees without shareholder vote); or (d) the termination of the Trust.

⁴ The Goldman Sachs Mutual Fund Complex consists of the Trust and Goldman Sachs Variable Insurance Trust. As of August 31, 2003, the Trust consisted of 56 portfolios, including the Funds described in this Annual Report, and Goldman Sachs Variable Insurance Trust consisted of 6 portfolios.

⁵ This column includes only directorships of companies required to report to the SEC under the Securities Exchange Act of 1934 (i.e., “public companies”) or other investment companies registered under the Act.

Additional information about the Trustees is available in the Funds’ Statement of Additional Information which can be obtained from Goldman Sachs free of charge by calling this toll-free number (in the United States): 1-800-292-4726.

Officers of the Trust*

| Name, Age And Address | Position(s) Held With the Trust | Term of Office and Length of Time Served ¹ | Principal Occupation(s) During Past 5 Years |
|---|-----------------------------------|---|---|
| Kaysie P. Uniacke 32 Old Slip New York, NY 10005 Age: 42 | President & Trustee | Since 2002 Since 2001 | Managing Director, GSAM (1997-Present). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). President – Goldman Sachs Mutual Fund Complex (registered investment companies). Assistant Secretary – Goldman Sachs Mutual Fund Complex (1997-2002) (registered investment companies). Vice President, Goldman Sachs (July 1995-Present). Treasurer – Goldman Sachs Mutual Fund Complex (registered investment companies). |
| John M. Perlowski 32 Old Slip New York, NY 10005 Age: 38 | Treasurer | Since 1997 | Managing Director, Goldman Sachs (October 1999-Present); and Vice President of GSAM (April 1997-December 1999). Vice President – Goldman Sachs Mutual Fund Complex (registered investment companies). |
| James A. Fitzpatrick 4900 Sears Tower Chicago, IL 60606 Age: 43 | Vice President | Since 1997 | Managing Director, Goldman Sachs (December 1998-Present); Director of Institutional Fund Sales, GSAM (April 1998-December 2000); and Senior Vice President and Manager, Dreyfus Institutional Service Corporation (January 1993-April 1998). |
| James A. McNamara 32 Old Slip New York, NY 10005 Age: 40 | Vice President & Trustee | Since 2001 | Vice President – Goldman Sachs Mutual Fund Complex (registered investment companies). Trustee – Goldman Sachs Mutual Fund Complex (registered investment companies). |
| Howard B. Surlloff One New York Plaza 37 th Floor New York, NY 10004 Age: 38 | Secretary | Since 2002 Since 2001 | Managing Director, Goldman Sachs (November 2002-Present); Associate General Counsel, Goldman Sachs and General Counsel to the U.S. Funds Group (December 1997-Present). Secretary – Goldman Sachs Mutual Fund Complex (registered investment companies) (2001-Present) and Assistant Secretary prior thereto. |

¹ Officers hold office at the pleasure of the Board of Trustees or until their successors are duly elected and qualified. Each officer holds comparable positions with certain other companies of which Goldman Sachs, GSAM or an affiliate thereof is the investment adviser, administrator and/or distributor.

* Represents a partial list of officers of the Trust. Additional information about all the officers is available in the Funds' Statement of Additional Information which can be obtained from Goldman Sachs free of charge by calling this toll-free number (in the United States): 1-800-292-4726.

Goldman Sachs Funds

Goldman Sachs is a premier financial services firm, known since 1869 for creating thoughtful and customized investment solutions in complex global markets.

Today, **Goldman Sachs Asset Management, L.P.** and other units of the **Investment Management Division** of Goldman Sachs serve a diverse set of clients worldwide, including private institutions, public entities and individuals. With portfolio management teams located around the world — and \$335.8 billion in assets under management as of June 30, 2003 — our investment professionals bring firsthand knowledge of local markets to every investment decision, making us one of the few truly global asset managers.

THE GOLDMAN SACHS ADVANTAGE

Our goal is to deliver:

Strong, Consistent Investment Results

- Global Resources and Global Research
- Team Approach
- Disciplined Processes

Innovative, Value-Added Investment Products

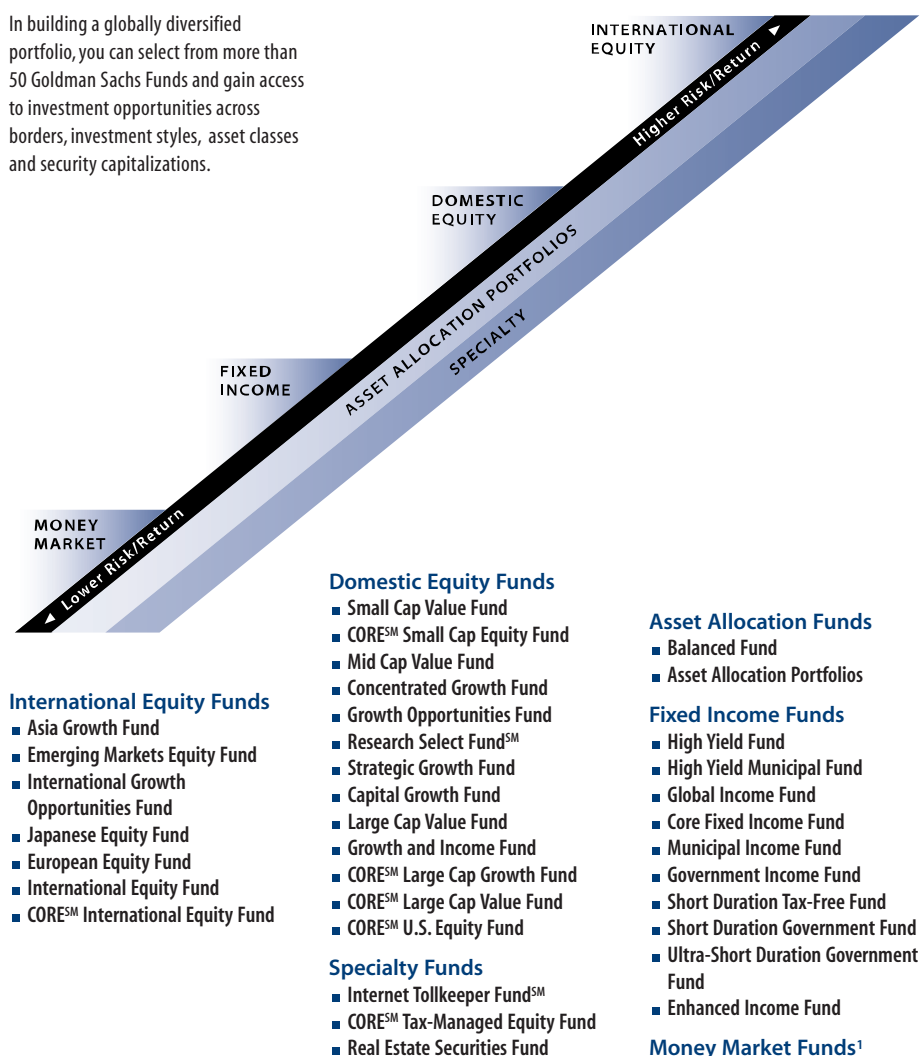
- Thoughtful Solutions
- Risk Management

Outstanding Client Service

- Dedicated Service Teams
- Excellence and Integrity

GOLDMAN SACHS FUNDS

In building a globally diversified portfolio, you can select from more than 50 Goldman Sachs Funds and gain access to investment opportunities across borders, investment styles, asset classes and security capitalizations.



¹ An investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

The Goldman Sachs Research Select FundSM, Internet Tollkeeper FundSM and CORESM are service marks of Goldman, Sachs & Co.

GOLDMAN SACHS ASSET MANAGEMENT, L.P. 32 OLD SLIP, 17TH FLOOR, NEW YORK, NEW YORK 10005

TRUSTEES

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Gary D. Black
Patrick T. Harker
James A. McNamara
Mary Patterson McPherson
Alan A. Shuch
Wilma J. Smelcer
Richard P. Strubel
Kaysie P. Uniacke

OFFICERS

Kaysie P. Uniacke, *President*
James A. Fitzpatrick, *Vice President*
James A. McNamara, *Vice President*
John M. Perlowski, *Treasurer*
Howard B. Surloff, *Secretary*

GOLDMAN, SACHS & CO.
Distributor and Transfer Agent

GOLDMAN SACHS ASSET MANAGEMENT, L.P.
Investment Adviser

Visit our internet address: www.gs.com/funds

The reports concerning the Funds included in this shareholder report may contain certain forward-looking statements about the factors that may affect the performance of the Funds in the future. These statements are based on Fund management's predictions and expectations concerning certain future events and their expected impact on the Funds, such as performance of the economy as a whole and of specific industry sectors, changes in the levels of interest rates, the impact of developing world events, and other factors that may influence the future performance of the Funds. Management believes these forward-looking statements to be reasonable, although they are inherently uncertain and difficult to predict. Actual events may cause adjustments in portfolio management strategies from those currently expected to be employed.

This material is not authorized for distribution to prospective investors unless preceded or accompanied by a current Prospectus for the Funds. Investors should read the Prospectus carefully before investing or sending money.

Holdings are as of August 31, 2003 and are subject to change in the future. Fund holdings of stocks or bonds should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities.

Emerging markets securities are volatile. They are subject to substantial currency fluctuations and sudden economic and political developments. At times, a Fund may be unable to sell certain of its portfolio securities without a substantial drop in price, if at all.

The stocks of smaller companies are often more volatile and present greater risks than stocks of larger companies. At times, a Fund may be unable to sell certain of its portfolio securities without a substantial drop in price, if at all.

CORESM is a service mark of Goldman, Sachs & Co.

Goldman, Sachs & Co. is the distributor of the Funds.

ITEM 2. CODE OF ETHICS.

- (a) As of the end of the period covered by this report, the registrant has adopted a code of ethics that applies to the registrant’s principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the registrant or a third party (the “Code of Ethics”). The Code of Ethics is attached hereto as Exhibit 10(a)(1).
- (b) During the period covered by this report, no amendments were made to the provisions of the Code of Ethics.
- (c) During the period covered by this report, the registrant did not grant any waivers, including an implicit waiver, from any provision of the Code of Ethics.

ITEM 3. AUDIT COMMITTEE FINANCIAL EXPERT.

The registrant’s board of trustees has determined that the registrant has at least one “audit committee financial expert” (as defined in Item 3 of Form N-CSR) serving on its audit committee. John P. Coblenz, Jr. is the “audit committee financial expert” and is “independent” (as each term is defined in Item 3 of Form N-CSR).

ITEM 4. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

Not applicable to annual reports for the year ended August 31, 2003.

ITEM 5. AUDIT COMMITTEE OF LISTED REGISTRANTS.

Not applicable.

ITEM 6. [RESERVED]

ITEM 7. DISCLOSURE OF PROXY VOTING POLICIES AND PROCEDURES FOR CLOSED-END MANAGEMENT INVESTMENT COMPANIES.

Not applicable.

ITEM 8. [RESERVED]

ITEM 9. CONTROLS AND PROCEDURES.

- (a) The registrant’s principal executive and principal financial officers or persons performing similar functions have concluded that the registrant’s disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the “1940 Act”)) are effective as of a date within 90 days of the filing of this report that includes the disclosure required by this paragraph, based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and 15d-15(b) under the Securities Exchange Act of 1934, as amended.
- (b) There were no changes in the registrant’s internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant’s last fiscal half-year (the registrant’s second fiscal half year in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant’s internal control over financial reporting.

ITEM 10. EXHIBITS.

- (a)(1) Goldman Sachs Trust's Code of Ethics for Principal Executive and Senior Financial Officers filed herewith.
- (a)(2) Exhibit 99.CERT Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 filed herewith.
- (b) Exhibit 99.906CERT Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Goldman Sachs Trust

By: /s/ Kaysie P. Uniacke

Kaysie P. Uniacke
Chief Executive Officer
Goldman Sachs Trust

Date: November 5, 2003

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Kaysie P. Uniacke

Kaysie P. Uniacke
Chief Executive Officer
Goldman Sachs Trust

Date: November 5, 2003

By: /s/ John M. Perlowski

John M. Perlowski
Chief Financial Officer
Goldman Sachs Trust

Date: November 5, 2003